



The Bombay Burmah Trading Corporation, Ltd.

A Wadia Enterprise

Annual Report 2012-2013

1863



2013

Journey of Success

# The Bombay Burmah Trading Corporation, Ltd.

A 150 year legacy built on Credibility, Trust and Integrity. An Organization that balances commercial objectives with environmental and social responsibilities to generate enduring value for all its stakeholders.



# Chairman's Message

Dear Shareholders,

On 3rd September 2013 your Company will achieve the distinction of being the first Indian Company to complete 150 years as a company listed on BSE.

Through these long years, the Corporation has witnessed many challenging situations including two World Wars, the Great Depression, the independence of our country, the emergence of the European Union and the rise of the tiger economies in the East. The Board and Management of the Corporation have not only been able to adapt to these challenging conditions but have also been able to ensure that the Corporation today is stronger than it has ever been.

The past fifty years have seen a number of changes in the business portfolios of the Corporation. Overseas companies like North Borneo Timbers and P.T. Indo Java have been divested and Britannia Industries has been bought into the fold as a subsidiary.

I have had the pleasure and privilege of being involved with the Corporation for thirty three of these last fifty years and can assure you that we stand committed to the values of teamwork, trust and integrity and to serve you, our esteemed Shareholders, and all other stakeholders.

I would like to thank all those who over the years, have served with the Corporation, our Directors, Managers, Employees and Stakeholders in different parts of the world, for their contribution to the Corporation. Most important, I would like to thank you dear Shareholders, for the support you have given to us throughout these 150 years.

I am convinced that the best is yet to come.

Nusli Wadia.

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148th Annual General Meeting  
Wednesday, 7th August 2013, 3.45pm; Rama Watumull Auditorium K.C. College,  
Dinshaw Vachha Road, Churchgate, Mumbai 400 020

# The Bombay Burmah Trading Corporation, Limited

## ANNUAL REPORT 2012-2013

### DIRECTORS

NUSLI N. WADIA, Esq., *Chairman*

A. K. HIRJEE, Esq., *Vice Chairman*

KESHUB MAHINDRA, Esq.

M. L. APTE, Esq.

D. E. UDWADIA, Esq.

P. K. CASSELS, Esq.

B. N. B. TAO, Esq.

JEH WADIA, Esq.

VINITA BALI

A. PANJWANI, Esq., *Managing Director*

NESS WADIA, Esq., *Managing Director*

### VICE PRESIDENT CORPORATE & COMPANY SECRETARY

N. H. DATANWALA, Esq.

### REGISTERED OFFICE

9, WALLACE STREET, FORT, MUMBAI 400 001.  
Tel. No. 2207 9351 (4 lines)

### PRINCIPAL BANKERS

HDFC BANK LIMITED  
AXIS BANK LIMITED

### AUDITORS

B S R & CO.  
Lodha Excelus  
1st floor, Apollo Mills Compound,  
N. M. Joshi Marg, Mahalakshmi,  
Mumbai 400 011  
India

### SOLICITORS

CRAWFORD BAYLEY & CO.  
State Bank Building, 4th Floor,  
Hutatma Chowk, Fountain,  
Mumbai 400 001.

UDWADIA UDESHI & ARGUS PARTNERS  
Elphinstone House, 1st Floor,  
17, Murzban Road, Fort,  
Mumbai 400 001.

# The Bombay Burmah Trading Corporation, Limited

## LOCATION OF CORPORATION'S ESTATES AND FACTORIES

- Tea and Coffee Estates : (1) Mudis Group of Estates, Mudis P.O.,  
Coimbatore Dist.,  
Tamil Nadu 642 117.
- (2) Singampatti Group of Estates,  
Manjolai P.O., Tirunelveli Dist.,  
Tamil Nadu 627 420.
- (3) Dunsandle Estate, Dunsandle P.O.,  
Ootacamund, Nilgiri Dist.,  
Tamil Nadu 643 005.
- (4) Elk Hill Group of Estates, P.O. Box No. 12,  
Sidapur P. & T.O., South Coorg,  
Karnataka 571 253.
- (5) Usambara Group,  
Marvera & Herkulu Estate,  
P.O. Box 22, Soni, Tanzania.
- Weighing Products Division : Plot 304, GIDC, Valsad Industrial Estate,  
Gundlav, Valsad, Gujarat 396 035.
- Dental Products of India Division : Plot No. 161-B, Village Danpur,  
Rudrapur Kashipur Road,  
Paragana-Rudrapur,  
Tehsil Kichha  
Udhamsingh Nagar  
Uttarakhand 263 153.
- Auto Ancillary Division : Plot no. 128-133, 3rd Cross Street,  
Nehru Nagar, Kottivakkam,  
Chennai,  
Tamil Nadu - 600 041.
- Malaysian Branch : Suite 628, 6th Floor, Pan Global Plaza,  
Jalan Wong Ah Fook 80000,  
Johor Bahru, Malaysia.

## NOTICE

NOTICE is hereby given that the One Hundred and Forty Eighth Annual General Meeting of the members of the Corporation will be held on Wednesday, the 7th day of August, 2013 at 3:45 pm at Rama Watumull Auditorium, K C College, Dinshaw Vachha Road, Mumbai 400 020, to transact the following business:

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended 31st March, 2013 and the Balance Sheet as at that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Nusli N. Wadia, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. K. Hirjee, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. P. K. Cassels, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs B S R & Co., Chartered Accountants (Registration No. 101248W), be and are hereby appointed Auditors of the Corporation, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Corporation at such remuneration and on such terms and conditions, as may be fixed by the Board of Directors.”

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 228 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Deloitte Haskins & Sells, Chennai, Chartered Accountants (Registration No.008072S), be and are hereby appointed as the Branch Auditors for auditing the accounts of the branches of the Corporation in South India, for the current financial year, at such remuneration and other terms and conditions as may be fixed by the Board of Directors.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to appoint for the current financial year, in consultation with the Corporation’s Auditors namely Messrs B S R & Co., in respect of the audit of the accounts of the Corporation’s branch offices outside India, a person who is either qualified for appointment as auditor of the Corporation under Section 226 of the Companies Act, 1956 or an accountant duly qualified to act as an auditor of the accounts of such branch offices in accordance with the laws of the concerned countries; and to fix the remuneration and other terms and conditions of their appointment as branch auditors.”

8. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 309 and other applicable provisions of the Companies Act, 1956, the Corporation be and is hereby authorized to pay to its Directors, not being a Managing Director or Whole-time Director, such Commission as the Board of Directors may determine from time to time not exceeding 1% of the net profits of the

# The Bombay Burmah Trading Corporation, Limited

Corporation computed in the manner laid down in Section 198 of the Companies Act, 1956 for a period of five financial years commencing 1st April, 2013.

"RESOLVED FURTHER THAT such commission be divisible amongst the Directors as aforesaid in such proportion as the Board may determine or failing such determination, as the Chairman for the time being of the Board may decide from time to time and for determining the Commission payable for any broken period of a year in pursuance of the above resolution, the net profits of the Corporation shall be arrived at on a proportionate basis.

"RESOLVED FURTHER that if at any time the Corporation does not have a Managing Director or Whole-time Director, then the Corporation may pay to its Directors as aforesaid, such Commission as the Board of Directors may determine from time to time not exceeding 3% of the net profits of the Corporation computed in the manner laid down in Section 198 of the Companies Act, 1956 for that year(s)."

By Order of the Board,

N. H. DATANWALA  
Vice President Corporate &  
Company Secretary

*Registered Office:*

9, Wallace Street, Fort,  
Mumbai 400 001

Dated, the 28th May, 2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE CORPORATION.

A blank form of proxy is enclosed and, if intended to be used, it should be returned to the Corporation duly completed not less than forty-eight hours before the time appointed for this Annual General Meeting.

2. The Register of Members and the Share Transfer Books of the Corporation will remain closed from Saturday, 27th July, 2013 to Wednesday, 7th August, 2013 (both days inclusive).
3. Warrants in respect of dividend, if declared, will be paid to the members on or after 14th August, 2013. Dividend will be payable on and from that date to those members whose names stand on the Register of Members of the Corporation as on 26th July, 2013. Dividend in respect of shares held in dematerialized form will be payable to the beneficial owners of shares at the close of business on 26th July, 2013 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
4. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their demat accounts, and to the Corporation's Registrar & Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd. (**Sharepro**), at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072, or at 912 Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021, in respect of their physical shareholdings quoting their folio numbers.
5. Members are advised to submit their Electronic Clearing Service (ECS) mandates to Sharepro at either of the aforesaid addresses to facilitate remittance of dividend by means of ECS.



6. **Members may please note that as per Circular no. CIR/MRD/DP/10/2013 dated March 21, 2013 issued by the Securities Exchange Board of India (SEBI), it is mandatorily required to print members' bank account details on the dividend warrants. Those members who have not furnished their bank account details may furnish the same to Sharepro on or before 26th July, 2013.**

**Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Corporation for payment of dividend. Any changes in the bank particulars are to be advised by the members only to the Depository Participant. The Corporation or Sharepro shall not act on any request received directly from members for such changes.**

**Further, instructions given by the members for shares held in physical mode would not be applicable to the dividend payable on the shares held by them in dematerialised form.**

7. Members are advised, in their own interest that all communications to the Corporation or Sharepro which would have the effect of amending the permanent details of their ledger folio, should be signed by all the Members registered under that ledger folio.
8. **Dividends remaining unclaimed or unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government in accordance with Section 205C of the Companies Act, 1956. Accordingly, the unclaimed dividend for the year 2004-2005 was transferred to the IEPF by the Corporation on 31st August, 2012. Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the details of unpaid and unclaimed dividend amounts lying with the Corporation as on 8th August, 2012 (date of last Annual General Meeting) has been uploaded on the Ministry of Corporate Affairs website. The details are also available on the Corporation's website ([www.bbtcl.com](http://www.bbtcl.com)).**

**During the current financial year, the Corporation will be required to transfer the unclaimed dividend for the year ended 31st March, 2006 to the IEPF on 30th August, 2013. Members who have not yet encashed their dividend warrants for the financial year ended 31st March, 2006 are requested to submit their claim to the Corporation or Sharepro at the earliest but not later than 20th August, 2013. Members may please note that once the unclaimed dividend is transferred to the IEPF as aforesaid, no claim shall lie in respect of such amount with the Corporation.**

9. SEBI has also mandated the submission of Permanent Account Number (PAN) by members. Therefore, members holding shares in physical form are requested to submit their PAN to the Corporation or Sharepro and members holding shares in electronic form may submit their PAN to their respective Depository Participants.
10. The equity shares of the Corporation are listed at the Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 and the National Stock Exchange of India, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. The annual listing fees as prescribed has been paid to both stock exchanges.
11. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs has allowed companies to send official documents through electronic mode. In order to enable the Corporation to be a part of the said 'Green Initiative', members are requested to provide/update their e-mail address to the dedicated email address, i.e. [bombayburmah@shareproservices.com](mailto:bombayburmah@shareproservices.com) or login at Sharepro's website <http://www.shareproservices.com> and register their request. Annual Report 2012-2013 is being sent by electronic mode to members whose email addresses are currently available with Sharepro. However, physical copies of Annual Report will be available at the Registered Office and shall be sent to any member on receipt of a requisition in this regard. Members are also informed that the

## The Bombay Burmah Trading Corporation, Limited

full text of all Notices, Reports etc. sent by email to them will also be made available on our website ([www.bbttl.com](http://www.bbttl.com)).

12. Members/Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
13. Members are requested to bring their copies of the Annual Report at the time of attending the Meeting as the same will not be distributed at the Meeting.
14. Pursuant to the requirement of Clause 49 of the Listing Agreements, the requisite information pertaining to Mr. Nusli N. Wadia, Mr. A. K. Hirjee and Mr. Patrick Cassels who retire by rotation and are eligible for re-appointment are as follows:

### **Mr. Nusli N. Wadia:**

Mr. Nusli Wadia, is a well-known Indian industrialist heading the Wadia Group of companies besides being a director on the Board of several Indian and foreign companies. He joined the Corporation as director in October, 1980 and has been the Chairman of the Corporation since 27th July, 1982. Having extensive experience and expertise in general business management and finance, Mr. Wadia has contributed actively in the deliberations of various organizations like Cotton Textiles Export Promotion Council (TEXPROCIL), Associated Chambers of Commerce and Industry of India, Mill Owners' Association (MOA) etc. He is the former Chairman of TEXPROCIL and also of MOA. He was on the Prime Minister's Council on Trade and Industry during the period 1998 to 2004. He was the Convenor of the Special Group Task Force on Food and Agro Industries' Management Policy in September, 1998. He was also a Member of the Special Subject Group to review regulations & procedures to unshackle Indian Industry and on the Special Subject Group on Disinvestment. He was a member of the ICMF from 1984-85 to 1990-91 and is a Trustee of the Executive Committee of the prestigious Nehru Centre. Mr. Nusli Wadia has a distinct presence in public affairs and has been actively associated with leading charitable and educational institutions.

Mr. Wadia holds 61,41,505 shares of the Corporation and his other directorships include The Bombay Dyeing & Manufacturing Co. Ltd. (Chairman), Britannia Industries Ltd. (Chairman), Wadia Techno Engineering Services Limited, Tata Steel Ltd., Tata Chemicals Ltd., Tata Motors Ltd. besides directorship in 7 foreign companies and 2 private companies.

He is also on the Remuneration Committee of The Bombay Dyeing & Manufacturing Co. Ltd., Britannia Industries Ltd., Tata Steel Ltd., Tata Chemicals Ltd. (Chairman) and Tata Motors Ltd. (Chairman) and the Chairman of the Nomination Committees of Britannia Industries Ltd., Tata Motors Limited and Tata Steel Limited.

### **Mr. A. K. Hirjee:**

Mr. A. K. Hirjee is B.A. (Hons.), LL.B. (Hons), Barrister-at-Law and SLOAN Fellow of London Business School, having over fifty years of experience in different areas of business management. He was the Managing Director of the Corporation from 1st October, 1988 till 30th September, 1998 and is currently the Vice-Chairman of the Corporation. His areas of expertise include finance, banking, legal, commercial, industrial and general administration. Mr. Hirjee is also actively associated with leading charitable institutions.

Mr. Hirjee holds 1750 shares of the Corporation.

Besides being the Chairman of Atlas Copco (India) Ltd. and HDFC Trustee Co. Ltd., Mr. Hirjee is also a director in The Bombay Dyeing & Manufacturing Co. Ltd., Britannia Industries Ltd., 8 foreign companies and 2 private companies.

Mr. Hirjee is a member of the Audit Committees of Atlas Copco (India) Ltd. (Chairman), HDFC Trustee Co. Ltd. (Chairman) and Britannia Industries Ltd., the Remuneration Committees of Atlas Copco (India) Ltd. (Chairman) and The Bombay Dyeing & Manufacturing Co. Ltd., and

the Shareholders'/Investors' Grievance Committees of Atlas Copco (India) Ltd. and Britannia Industries Ltd. and the Shareholders'/Investors' Grievance and Ethics & Compliance Committee of The Bombay Dyeing & Manufacturing Co. Ltd.

**Mr. Patrick Cassels:**

Mr. P. K. Cassels, 74, originally a timber merchant from Malaysia, was the Managing Director of The North Borneo Timbers, Berhad, an erstwhile associate company of The Bombay Burmah Trading Corporation, Limited. Mr. Cassels has vast experience and expertise in plantation-related activities and has been a Director of the Corporation for the past 27 years. He is also a director in several overseas subsidiaries of the Corporation.

Mr. Cassels does not hold any shares of the Corporation.

His other directorships include 23 foreign companies. He is not a director in any other Indian company besides the Corporation and therefore not a Member of any Committee of the Board.

## **ANNEXURE TO NOTICE**

### **EXPLANATORY STATEMENT**

*(Pursuant to Section 173 of the Companies Act, 1956)*

**Item No. 8:**

The Non-Executive Directors and the Independent Directors of the Corporation bring with them significant professional expertise and rich experience across various functional areas and it is considered desirable to compensate them for their time and efforts as also to retain the talent pool available to the Corporation.

The shareholders, at the 143rd Annual General Meeting held on 30th July, 2008 passed a Special resolution for approving the payment of Commission to the Non-Executive Directors and Independent Directors at a rate not exceeding 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 198 and 309(4) of the Companies Act, 1956) for a period of five years commencing from 1st April, 2008. Pursuant to Section 309(7) of the Act, this Special Resolution was in force upto 31st March, 2013. It is now proposed to obtain shareholders' approval for payment of Commission, if so decided by the Board, to the non-executive directors, for a further period of five years with effect from 1st April, 2013.

The approval of members is also sought for payment of commission to the Non-Executive Directors and Independent Directors at a rate not exceeding 3% of the net profits of the Company in any financial year, if the Corporation does not have a Managing Director or Whole-time Director.

As per the requirement of Section 309(4) of the Companies Act, 1956, the payment of Commission to directors is subject to the approval of members by way of Special Resolution.

All the directors, except Mr. Ashok Panjwani and Mr. Ness Wadia, Managing Directors of the Corporation, may be deemed to be concerned or interested in this Resolution to the extent of the Commission that may be payable to them in terms hereof.

By Order of the Board,

N. H. DATANWALA  
Vice President Corporate &  
Company Secretary

*Registered Office:*

9, Wallace Street, Fort,  
Mumbai 400 001

Dated, the 28th May, 2013

## DIRECTORS' REPORT

Your Directors hereby present their Report on the business and operations of the Corporation and the Audited Accounts for the year ended 31st March, 2013.

### 1. SUMMARISED PROFIT & LOSS ACCOUNT:

	<b>2012-2013</b>	<i>2011-2012</i>
	<b>₹ in Lakhs</b>	<i>₹ in Lakhs</i>
Profit before depreciation, interest, exceptional items and tax	<b>3,977.58</b>	<i>3,752.84</i>
Less: Finance cost	<b>1,490.07</b>	<i>1,852.32</i>
Less: Depreciation	<b>686.22</b>	<i>715.56</i>
	<b>1,801.29</b>	<i>1,184.96</i>
Add: Profit on Sale of Undertaking	<b>—</b>	<i>16,470.68</i>
Profit of erstwhile EAPL for the year ended 31st March, 2012	<b>736.72</b>	<i>—</i>
	<b>2,538.01</b>	<i>17,655.54</i>
Profit before Tax	<b>2,538.01</b>	<i>17,655.54</i>
Less: Provision for Taxation	<b>644.91</b>	<i>4,006.57</i>
	<b>1,893.10</b>	<i>13,648.97</i>
Profit for the year	<b>1,893.10</b>	<i>13,648.97</i>
Add: Balance in Profit and Loss Account	<b>17,488.66</b>	<i>6,374.96</i>
Balance in Profit and Loss Account of erstwhile EAPL on 1st April, 2011	<b>460.13</b>	<i>—</i>
	<b>19,841.89</b>	<i>20,023.93</i>
Amount available for Appropriation	<b>19,841.89</b>	<i>20,023.93</i>
<b>Appropriations:</b>		
Proposed Dividend	<b>2,093.16</b>	<i>976.81</i>
Corporate Dividend Tax thereon	<b>355.73</b>	<i>158.46</i>
Transfer to General Reserve	<b>190.00</b>	<i>1,400.00</i>
	<b>2,638.89</b>	<i>2,535.27</i>
Closing balance of Profit and Loss Account	<b>17,203.00</b>	<i>17,488.66</i>

### 2. OPERATIONS:

The year under review despite the challenges has been a satisfactory one for the Corporation.

The Corporation has achieved a turnover of ₹ 243.55 Crores and higher operating profit before tax of ₹ 18.01 Crores compared to ₹ 11.85 Crores in the previous year.

The results are strictly not comparable with those of previous year in view of the mid term

discontinuation of two businesses viz. BCL Springs and Sunmica in the previous year. Further, current year includes results of Auto ancillary business under Electromags division on amalgamation of erstwhile Electromags Automotive Products Private Ltd. (EAPL) with the Corporation.

During the year, the performance of Tea Division was adversely affected due to erratic weather conditions which resulted in lower

production and lower sales compared to the previous year. However, higher average price realization of Tea contributed to reduce the adverse impact on profitability. The Coffee Division with favourable prices and increased volumes contributed substantially to improve the profitability and performance of the Plantation Division.

Health Care Division reported healthy growth in sales and profit over the previous year with successful launch of new Dental products.

Auto Ancillary business under Electromags Division achieved higher profits compared to previous year on account of reduction in overheads despite slow down in auto sector.

### 3. DIVIDEND:

Your Directors are pleased to recommend payment of dividend @75% i.e. ₹ 1.50 per share of ₹ 2/- each and a one-time Special Dividend of 75% i.e. ₹ 1.50 per share, to commemorate the 150th year of the Corporation. Accordingly, the total dividend recommended is 150% i.e. ₹ 3/- per equity share of ₹ 2/- each (Previous year equivalent ₹ 1.40 per share). The dividend, if approved by the shareholders at the Annual General Meeting, will be paid to those shareholders whose names appear on the Register of Members of the Corporation at the close of business on 26th July, 2013.

### 4. DIVISIONWISE PERFORMANCE:

#### (a) SOUTH INDIA ESTATES:

##### (i) Tea –

The production for the year under review was lower at 78.42 Lakh kgs. as against 84.65 Lakh kgs. for 2011-12 due to low rainfall at Singampatti Estate and almost drought like conditions and uniformly low rainfall at other Estates. Sales Turnover however was higher at ₹ 83.01 Crores compared to ₹ 75.15 Crores of the previous year due to increase in average selling prices.

##### (ii) Coffee –

Production for the year under review, including outsourced beans was 2,399 Tonnes as against 1,640 Tonnes for the year 2011-12. This was due to higher sourcing of Bought Beans from the current season's crop during November, 2012 to March, 2013 which will be available for sale in the coming year.

Sales turnover was higher at ₹ 28.46 Crores as against ₹ 24.37 Crores in the previous year. Sales volume, however, was at the same level at 1,680 Tonnes as against 1,683 Tonnes in the previous year.

#### (b) TANZANIAN ESTATES:

The crop for the year under review was lower at 8.14 Lakh kgs. as against 9.22 Lakh kgs. in 2011-12. Sales were at ₹ 5.42 Crores as against ₹ 5.19 Crores in the previous year.

#### (c) ELECTROMAGS DIVISION:

The turnover for the year was marginally lower at ₹ 105.91 Crores as against ₹ 108.63 Crores for 2011-12. Although the auto sector witnessed a slow down during the year, the reduction in overheads and better cost control enabled the division to achieve higher profits as compared to the previous year.

#### (d) HEALTHCARE DIVISION:

The turnover for the year was ₹ 18.04 Crores as against ₹ 15.43 Crores for 2011-12. This was due to higher sales of own manufactured products, mainly Dental alloys, despite the discontinuation of some traded products. Dental Products of India Division is the market leader in Dental alloy business in India.

**(e) WEIGHING PRODUCTS DIVISION:**

Sale of balances for the year under review was ₹ 2.34 Crores as against ₹ 2.31 Crores for 2011-12. The Division continued to operate profitably.

**(f) REAL ESTATE DEVELOPMENT:**

The Corporation is examining various options for development of properties at Kanjur Marg in Mumbai and at Coimbatore under Real Estate Division. The Corporation is also considering development of a small part of Coffee Estate at Coorg as a "Destination" under Hospitality sector.

**5. RESTRUCTURING OF BUSINESS:**

Over the last two years, the Corporation's businesses were restructured which resulted in significant debt reduction and corresponding strengthening of the Corporation's Balance Sheet. The Corporation divested Offshore Rubber business, Sunmica Laminates and BCL Springs Division and unlocked value in these businesses.

The amalgamation of the wholly owned subsidiary Electromags Automotive Products Pvt. Ltd. (EAPL), with the Corporation effective 1st April, 2011 as a part of this exercise was completed during the year and the effects of amalgamation have been given in the results of the Corporation for the year under review.

The Corporation has been rated 'A1+' by CARE which is the highest rating for short term bank facilities.

Of the existing businesses viz. Plantation, the Corporation with a view to increase sales volumes of both Tea & Coffee, has resorted to higher procurement of bought leaf for Tea and bought beans for Coffee as is evident from the results for the year under review.

With regard to the Auto Ancillary business under Electromags, the Corporation is working towards widening its customer base and introduction of new products.

The Corporation is examining growth options in value-added businesses and thereby improve its profitability. The sale proceeds received on divestment of businesses in the meantime have been utilized to repay long term debt and have been kept invested in deposits so as to be made available for business opportunities.

**6. SUB-DIVISION OF SHARES:**

With a view to improve the liquidity of Corporation's Equity Shares in stock markets and to make them more affordable for the small retail investors, as approved by the Shareholders by Postal Ballot, the Equity Shares of Face Value of ₹ 10/- each of the Corporation was sub-divided into 5 Equity Shares of the Face Value of ₹ 2/- each effective from 9th November, 2012.

**7. SUBSIDIARY COMPANIES:**

In view of the general exemption granted by the Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956, the copies of Balance Sheet, Profit and Loss Account, Cash Flow, Directors' Report and Auditors' Report of the Corporation's subsidiaries have not been attached to the Balance Sheet of the Corporation for the year under review. However, the disclosures required under the said exemption have been incorporated in the Annual Report and the Corporation undertakes to make available the annual accounts of the subsidiaries upon request by any member of the Corporation or any of its subsidiaries. Further, the said annual accounts of the subsidiary companies are also kept for inspection by any such member, at the registered office of the Corporation.

**8. FINANCE:**

The Corporation has repaid installments of term loans availed of from the banks/institutions on their respective due dates. There were no deposits which were due for repayment and remained unclaimed as on 31st March, 2013.

The Corporation has during the year converted the advance subscription given to Leila Lands

Senderian Berhad (Malaysia) its wholly owned subsidiary, into equity shares. This will enable the offshore investment potential to be leveraged.

#### **9. INSURANCE:**

The Corporation's plant & machinery, buildings, stocks and assets are adequately insured.

#### **10. INDUSTRIAL RELATIONS:**

Relations with the workmen continue to remain cordial at all Divisions of the Corporation.

#### **11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Appendix to this Report.

#### **12. REQUIREMENTS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956:**

The information required under Section 217 (2A) of the Companies Act, 1956 (the Act) read with the Rules framed thereunder forms part of this Report. However, as per provision of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to all shareholders excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the statement may write to the Secretary at the Corporation's Registered Office.

#### **13. DIRECTORS:**

Mr. Nusli N. Wadia, Mr. A. K. Hirjee and Mr. P. K. Cassels retire by rotation and are eligible for re-appointment.

#### **14. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations from the Operating Management, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation with regard to material departures, if any;
- ii. appropriate accounting policies have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation as at 31st March, 2013 and of the profit for the year ended on that date;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on going concern basis.

#### **15. CORPORATE GOVERNANCE:**

A separate report on Corporate Governance and a certificate from the Auditors of the Corporation regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

#### **16. CONSOLIDATED FINANCIAL STATEMENTS:**

The Consolidated Financial Statements of the Corporation and its subsidiaries prepared in accordance with the requirements of Accounting Standard AS-21 prescribed by Companies (Accounting Standards) Rules, 2006, are annexed to the Report.

#### **17. APPOINTMENT OF COST AUDITOR:**

In terms of the Order of Government of India, under Section 233B of the Companies Act, 1956, the Corporation re-appointed Dr. G. L. Sankaran, a Cost and Management Accountant from Coimbatore having qualifications prescribed in Section 233B (1) of the said Act to carry out cost audit

# The Bombay Burmah Trading Corporation, Limited

as applicable for the Corporation. His appointment was duly approved by the Central Government for the year under review.

## 18. AUDITORS:

In accordance with the provisions of the Companies Act, 1956 the Auditors, M/s. B S R & Co. will be proposed for re-appointment at the ensuing Annual General Meeting at a remuneration to be fixed by the Board.

It is proposed to re-appoint Deloitte Haskins & Sells, Chennai as branch auditors for auditing the accounts of the branches of the Corporation in South India for the current financial year at the ensuing Annual General Meeting at a remuneration to be fixed by the Board.

In addition, it is proposed that the Board be authorised to appoint Branch Auditors for the Corporation's branches in Tanzania and Johor Bahru, at a remuneration to be fixed by the Board.

## 19. ACKNOWLEDGEMENTS:

The Directors would like to thank all employees, customers, bankers, shareholders and other stakeholders for their continued support.

On behalf of the Board,

**Nusli N. Wadia**  
Chairman

Mumbai, the 28th day of May, 2013

Notes : Official Rates of Exchange were as follows:

On 31st March, 2013				On 31st March, 2012			
(₹ 1)	(Foreign Currencies)			(₹ 1)	(Foreign Currencies)		
Stg. £	0.01	Stg. £	1 - ₹ 82.32	Stg. £	0.01	Stg. £	1 - ₹ 81.80
Eur.	0.01	Eur.	1 - ₹ 69.54	Eur.	0.01	Eur.	1 - ₹ 68.34
Tanz. Sh.	30.47	Tanz. Sh.	1 - ₹ 0.03	Tanz. Sh.	31.17	Tanz. Sh.	1 - ₹ 0.03
RM.	0.06	RM.	1 - ₹ 17.52	RM.	0.06	RM.	1 - ₹ 16.61
U.S. \$	0.02	U.S. \$	1 - ₹ 54.39	U.S. \$	0.02	U.S. \$	1 - ₹ 51.16
H.K. \$	0.14	H.K. \$	1 - ₹ 6.99	H.K. \$	0.15	H.K. \$	1 - ₹ 6.55
S. \$	0.02	S. \$	1 - ₹ 43.72	S. \$	0.02	S. \$	1 - ₹ 40.48
Maur. Re.	0.59	Maur. Re.	1 - ₹ 1.68	Maur. Re.	0.58	Maur. Re.	1 - ₹ 1.72



**APPENDIX 'A'****STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT.****A. CONSERVATION OF ENERGY:****(a) Energy conservation measures taken:**

In the Plantation Estates, Sodium Vapor Security lighting lamps are being converted into LED lights and old motors are being converted into EEF-1 motors in a phased manner.

In the Auto ancillary division, solar energy usage is being introduced in a phased manner.

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:**

Solar Water heater installation in residences at the Estates is being undertaken in a phased manner. Monos block pumps are being converted into submersible pumps at selected locations.

Biogas units have commenced functioning at Silpi Estate (Elkhill) and Thay Mudi Estate (Mudis Group).

Continuous upgradation of machinery for fuel efficiency and adequate maintenance measures for optimum fuel efficiency are being undertaken.

**(c) Impact of measures at (a) and (b) above for reduction of consumption and consequent impact on the cost of production of goods:**

A reduction of around 15% in the energy consumption is expected which would be reflected in the coming years.

**(d) Total energy consumption and energy consumption per unit of production:****(A) POWER AND FUEL CONSUMPTION**

	Particulars	TEA		AUTO ANCILLARY	
		Current Year 2012-2013	Previous Year 2011-2012	Current Year 2012-2013	Previous Year 2011-2012
1.	<b>ELECTRICITY</b>				
	(a) Purchased:				
	Units (KWh in lakhs)	49.61	66.70	14.23	14.11
	Total amount (₹ in lakhs)	145.26	193.89	87.63	76.70
	Rate/Unit (in ₹)	2.92	2.91	6.16	5.44
	(b) Own Generation:				
	(i) Through Diesel Generator:				
	Units (KWh in lakhs)	5.35	4.16	2.14	1.29
	Unit per litre of Diesel Oil	2.63	2.74	—	—
	Total amount (₹ In lakhs)	96.58	66.54	32.43	18.39
	Cost/Unit (₹)	18.05	15.97	15.14	14.26
	(ii) Through steam turbine/ Generator:				
	Unit (KWh in lakhs)	—	—	—	—
	Unit per Litre of Fuel/gas	—	—	—	—

The Bombay Burmah Trading Corporation, Limited

	Particulars	TEA		AUTO ANCILLARY	
		Current Year 2012-2013	Previous Year 2011-2012	Current Year 2012-2013	Previous Year 2011-2012
2.	COAL (LECO used in Tea Dryers)				
	Quantity (tonnes)	2536.97	2202.99	—	—
	Total cost (₹ in lakhs)	183.69	144.27	—	—
	Average rate (₹ Per tonne)	7240.59	6548.88	—	—
3.	FURNACE OIL (L.P.G.)	—	—	—	—
	Quantity (K. Litres)				
	Total cost (₹ in lakhs)				
	Average rate (₹ Per K. Litre)				
4.	Others/Internal generation (Firewood)				
	Quantity (tonnes)	9191.13	12726.94	—	—
	Total cost (₹ in lakhs)	210.97	275.01	—	—
	Average rate (₹ Per tonne)	2295.41	2160.82	—	—
	AGNI BRIQUETTES	—	—	—	—
	Quantity (tonnes)				
	Total cost (₹ in lakhs)				
	Average rate (₹ Per tonne)				

**B. CONSUMPTION PER UNIT OF PRODUCTION:**

(i)	TEA	Standards If any	Current Year	Previous Year
	Electricity – KWh – per Tonne Made Tea		747.00	823.15
	Furnace Oil (K. Lit)		0.00	0.00
	Coal (Tonne) – LECO – Per Tonne M. Tea		0.344	0.256
	Others – FIREWOOD – Per Tonne		1.249	1.478

(ii)	AUTO ANCILLARY PRODUCTS	Standards If any	Current Year	Previous Year
	Electricity – KWh – per Tonne		0.068	0.063
	Furnace oil (K.Lit)		—	—
	Coal (Tonne)		—	—
	Others – FIREWOOD		—	—

**TECHNOLOGY ABSORPTION:**

## (a) RESEARCH AND DEVELOPMENT (R &amp; D):

1	Specific areas in which R & D carried out by the Corporation	<p>Trials on Nitrogen/potash rates, further studies on clonal compatibility for grafting in nursery and Drain work in Singampatti Group to surmount the problem of high water table have been concluded.</p> <p>Ongoing trials on controlling pest/diseases using alternate methods so as to reduce dependence on pesticide/insecticide and the ideal time period for the pruning schedule for the year continue.</p> <p>Analysis of chemical parameters such as TF, TR, HPS, TLC and colour index of made tea is continuously undertaken.</p> <p>The Auto ancillary division has been undertaking research in the application of solar energy and sensors.</p>
2	Benefits derived as a result of the above R & D	<p>Concluded trials on Nitrogen/Potash rates and ratio confirmed the rate &amp; ratio of N &amp; K. Compatible graft partners were established and in Singampatti, drainage was completed in about 100 Ha., leading to revival of root system.</p> <p>There has been consistency in the quality of made tea. The benefits of research in the Auto ancillary division will be visible in the current year.</p>
3	Future plan of action	<p>Continue trials on usage of new generation, broad spectrum pesticide/insecticide,</p> <p>Increasing water holding capacities by excavating tanks strategically and expansion of area under mechanical shear harvesting.</p> <p>Diversification into medical, solenoid and home appliances sector.</p>
4	Expenditure on R & D	
	Capital	₹ 24 lakhs
	Recurring	Nil
	Total	₹ 24 lakhs
	Total R & D expenditure as a %age of turnover	0.19%

## (b) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

**1. Efforts, in brief, made towards technology absorption, adaptation and innovation:**

- (i) Drip irrigation led to significant increase of yield in fields in which the system is installed.
- (ii) Use of coir pith as mulch has become a regular practice.

**2. Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc:**

Already detailed

**3. Imported technology: Not Applicable****C. FOREIGN EXCHANGE EARNING AND OUTGO:**

Total foreign exchange used and earned:

Used : ₹ 1,711.13 lakhs

Earned : ₹ 7,400.79 lakhs

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **1. Plantation Business:**

#### **(a) Tea:**

##### **Industry Structure and Developments:**

The overall Indian Crop for the calendar year 2012 was flat at 1,111.76 million kgs. vs. 1,115.72 million kgs. in 2011. While North Indian crop was higher by 4.53 million kgs. South Indian crop was lower by 8.49 million kgs.

In the global scenario, Sri Lanka & Kenyan crops were marginally lower as compared to previous year.

Export of Indian tea upto December, 2012 at 156.38 million kgs. was lower by 13.27 million kgs. vis-a-vis previous year. South Indian tea exports were significantly lower at 60.20 million kgs. as compared to 75.98 million kgs. in the previous year.

Import of tea upto December, 2012 was at 16.94 million kgs. which was 5.26% lower than the previous year.

Domestic consumption of tea as estimated by Tea Board for financial year 2012-13 was approx. 890 million kgs.

Owing to inclement weather, the crop pattern altered during the year - while there was a huge inflow of crop in the first quarter, the latter half of the year had extremely low crops. This led to dwindling of buffer /pipeline stocks and sharp market response from major packers leading to an upsurge in domestic prices. Exports declined with most markets being out-priced by the strong domestic demand.

##### **Opportunities and Threats**

Demand for tea in the domestic market having increased over the years and with domestic prices having moved vertically, there is considerable potential for the Corporation to respond to the market with better quality teas. The superior CTC teas produced by the Corporation have already found great acceptance in the West and

South India markets. Also, better health awareness is expected to bring about an increase in the demand for organic teas which the Corporation, with its existing expertise in plantations, is well equipped to meet.

In the international market, the Corporation has worked closely with major blenders in the UK & Europe to develop unique blends, consolidating its position in their blends and improving returns. With the world-wide demand for organic teas steadily improving, the Corporation is well poised to consolidate its position in the major organic markets around the globe.

Overall pressures on Indian Tea exports due to strengthening domestic market as also the political uncertainties in major tea – drinking countries coupled with higher shipping costs could lead to increase in inventories of medium and plainer teas. Higher costs of inputs with global increase in crude oil along with inflationary pressures could affect margins. Recession in Europe could put pressure on our Organic exports.

##### **Performance Highlights:**

Good rainfall in the first half of FY 2012-2013 was followed by drought conditions in the second half, thereby resulting in lower production of tea by 7.2% as compared to the previous year. Consequently, the overall tea sales were lower by 7.13% in terms of volume. However, the average price realization was 19.51% higher in the current year mainly aided by higher domestic prices.

Domestic Sales: Lower crops reflected in lower quantities available for sale and domestic volumes declined by 11.83%. The sales through our Depots reduced by 23.57% in terms of volume and increased by 27.75% in terms of average price realisations. Quantity sold through auctions increased by 4.84% and the average price was higher by 22.66%.

Exports: The overall export quantities of teas increased by 4.73% and the price realization was higher by 6.57%; Organic tea exported was lower by 8.89% in terms of quantity whilst average price realized was 11.49% higher. Non-Organic tea exports were higher by 6.07% in terms of volume and 7.60% in terms of average prices. BBTC's tea exports increased the Foreign exchange earnings of the Corporation by 11%.

**Outlook:**

Unpredictable weather conditions and the resulting inconsistent supply from the planting districts around India resulted in the drying up of pipeline stocks. This decline is directly reflected in higher pressure on better liquoring teas, which are attracting strong demand from major Packers and Bazaar buyers. Medium and plainer teas however may get neglected.

Besides the rising prices in the domestic markets, political turmoil which continues in the major tea-drinking countries in the Middle East and northern Africa will put considerable pressure on Indian exports, particularly from South India. Moreover, ocean freights which have been on an increase in the recent times could also put further pressure on Indian exports.

General shortage of good liquoring teas in the market and our continuous endeavours in upgrading the quality of our produce will work to the advantage of the Corporation in terms of tapping quality-sensitive markets. The growing awareness of the health benefits of Organic teas is expected to improve demand for the Organic teas pioneered by the Corporation.

**(b) Coffee:**

**Industry structure and developments:**

Coffee prices stabilized in March 2013, with the monthly average of the ICO composite indicator price essentially unchanged from the previous month. Contrasting trends in the prices of

Arabicas and Robustas caused a further narrowing of the arbitrage between the New York and London futures markets to 44.21 US cents/lb, its lowest level since March 2009.

The ICO composite indicator price fell from a high of 135.30 US cents/lb to a low of 128.52 in March, before correcting upwards to average 131.38 US cents/lb, roughly the same level as in February 2013.

This monthly average is 21.7% lower than in March 2012.

The epidemic of coffee leaf rust in Central America has had severe social and economic consequences, with losses in the region estimated at 2.3 million bags, worth nearly US\$550 million.

The current outbreak of coffee leaf rust in Central America is considered one of the worst ever recorded.

World production of coffee in the year 2012-13, is estimated at 144.6 million bags, a 6.4% increase over the previous year. World consumption in calendar year 2012 is provisionally estimated at around 142 million bags, compared to 139 million bags in 2011.

**Opportunities and threats:**

Quality washed Robustas continue to be in short supply as increased pressure on coffee growers to comply with stringent effluent control norms besides other operational issues such as non-availability of skilled manpower has resulted in lower overall production levels. However, price differentials have been high enough to justify undertaking higher production of Robusta seeds or alternatively, increase the quantity outsourced and thereby increase value-added exports.

Volatility in Arabica prices is a concern as higher costs of cultivation and increasing pest attacks due to drought conditions are eroding margins substantially. Further, another high crop from Brazil will make the operations unprofitable for Arabica producers.

More and more companies are eyeing opportunities in bought beans procurement in which the Corporation has been the sole and lead player thus far, and the need to consolidate our position has become necessary to counter the foreseen competition.

Stringent effluent treatment norms and high cost of energy are areas of concern.

**Performance highlights:**

Our Coffee volumes for 2012-13 was as follows:

Arabica	...	16,534 bags
Robusta	...	23,445 bags
TOTAL	...	<u>39,979 bags</u>

Added facilities for mechanical drying has resulted in increased bought beans procurement. This has resulted in an increase in turnover by 30%. Increased and focused marketing efforts targeted at selling to retail buyers worldwide has resulted in better margins.

Escalating labour and material costs have been absorbed without midterm changes to budgets.

**Outlook:**

Brazil has produced record Arabica crops for a second year in a row, further hammering down prices. As a result, the price realisation of Arabicas is expected to be lower by 20%. However, incidence of leaf rust in Central America could help improve prices on anticipated shortfall in supplies in the second half of 2013.

Lower Robusta crops in Vietnam and increased demand for washed speciality coffees will help shore up the bottom-line affected by fall in Arabica prices.

Continuous monitoring of costs in a falling Arabica market, maximising capacity utilization and timely implementation of new project have helped the Corporation to maintain high growth in turnover and maintaining of bottom lines in an adverse market.

Increased and continuous supervision of processing by management staff has resulted in consistent quality of coffees produced.

**(c) Auto Ancillary Business:**

**Industry Structure and Development:**

The performance of the Auto Ancillary sector depends largely on the automobile industry in the country. The financial year 2012-13 witnessed a sharp decline in the performance of the automobile industry due to a combination of factors such as high interest rates coupled with high inflation, weakening of the rupee, volatility in the cost of raw material and prices of crude oil. Car sales in the country fell for the first time in a decade, down 6.69% as the industry struggled due to a sluggish economy and negative sentiments.

The downturn has however, not dented the confidence and spirit of the automobile industry. Major OEM's have continued to invest in increased capacities and grow, preferring to view the 2012-13 performance as an aberration. Foreign investments continued with companies such as Daimler, John Deere, Renault, Nissan etc., either setting up plants on their own in the country or forging Joint Ventures and alliances with large domestic players. Overall, the outlook for the Indian Auto Industry is positive and a turnaround is expected during the latter part of the current financial year.

**Opportunities and Threats:**

While the domestic auto industry is expected to grow at an encouraging pace, projected at a CAGR of over 16% by SIAM and ACMA for the period 2015 – 2020, there are also substantial opportunities in the export market – the Division intends to take advantage of this opportunity by increasing its current share of 30% of turnover from exports by leveraging on the International Product Network (IPN) of existing customers.

Opportunity also exists in taking advantage of the indigenization drive of major OEM's towards import substitution by reverse engineering, which is one of the core competencies of the Division.

As the Division is located within a major Auto hub with a limited availability of talent and trained personnel, there is constant lateral movement of personnel within the industry locally.

The auto-ancillary industry is largely dependent on the 4-wheeler segment which acts as a major impediment in balancing the risk portfolio. Cheaper substitutes available from imports, though not matching in quality, does pose a threat to the growth of the industry.

#### **Segment Wise Performance:**

The current segment wise share of business is as follows:

<b>Sector</b>	<b>% of Business</b>
4 Wheeler	76%
ATM Parts	12%
2 Wheeler	9%
Other White Goods	1%

Concerted efforts are underway at the Division to decrease the dependence on the 4 Wheeler segment by increasing the share of business in non-Auto and Other White Goods.

#### **Outlook:**

The Division has historically focused mainly on the Auto Industry with 85 % of total volume coming from this industry during 2012-13. Auto Industry, therefore has a direct impact on the results of the Division. Increased focus on diversification and R&D initiatives towards the non-Auto sector have resulted in the Division now actively pursuing opportunities for a greater share in the White Goods sector, that is, other than existing ATM & Washing Machine parts and exploring opportunities in Solar and Medical components business during 2013-14 and in the future.

#### **(d) Health Care Business:**

##### **Industry Structure and Development**

The Indian healthcare market ranks amongst the top ten markets in the world and its contribution to the country's GDP is around 2%. Whereas the total market for dental equipments and materials is estimated to be around ₹ 430 crores annually, the market in which the Dental Products division of the Corporation operates is estimated at around ₹ 40 crores. Although the Indian dental healthcare industry is dominated by importers rather than manufacturers, the turnover of the Dental Products division is mainly from products manufactured by it.

With a number of foreign companies investing in the Indian dental products market and some of them licensing Indian manufacturers to produce certain items, India is fast progressing into becoming a manufacturing hub for dental equipments and materials.

The oral healthcare awareness in the urban areas has ensured a steady growth in the dental products market. However, the industry reaching its potential would depend upon the government's policy in terms of providing subsidies to set up dental practice in the rural areas and mini metros.

##### **Opportunities and Threats:**

Increased oral health awareness and a growing population with increased purchasing power have been the main drivers for increase in the demand for quality dental clinics with state-of-art equipment and good quality materials. Increase in foreign dental tourists have also boosted the demand for better quality dental products.

The gradual increase in the number of fresh graduates have brought about an increase in new-generation dentists which has in turn boosted the demand for high technology products in this sector.

Growth rates as forecast by the Indian Dental Association (IDA) for the dental technology market is estimated at 8% to 10% in the coming years.

A large number of foreign players have entered the dental products market in the last few years with low-price product alternatives. This has driven the competition in the market and it is becoming necessary for Indian manufacturers to introduce new cost-effective and quality substitutes to sustain their market shares.

**Performance Highlights:**

Sale of the manufactured products such as alloy, polymers and impression materials registered a growth of 16% over previous year. Sale of traded materials was however lower by 6% in the view of discontinuation of certain product lines in the trading business.

**Outlook:**

Despite increasing competition, introduction of new superior products and lower margins, the business is sustainable due to the growing market for our existing products backed by a nation-wide distribution network and the demand for new products, which the Corporation is continuously striving to meet. Our products command high brand equity which is the result of quality products and an efficient after-sales service network.

Two new materials viz. Calcium Hydroxide (for dental fillings) and EDTA Gel are being launched in the near future which is expected to find

easy acceptance in the market. The Corporation is also evaluating the emerging markets for dental lasers as also investment material for dental laboratories.

**2. Internal Control Systems and Adequacy:**

The Corporation has adequate internal control procedures commensurate with the size and nature of business. These business control procedures ensure efficient use and protection of the resources and also compliance with the policies, procedures and statutory requirements. The internal control systems provide for well-documented guidelines, authorisation and approval procedures. The Corporation carries out audit through external agencies twice a year. The prime objective of such audit is to test the adequacy and effectiveness of all internal controls laid down by the management and to suggest improvements.

**3. Human Resources:**

The Corporation regards human resources as a valuable asset. Majority of its employees are based at the tea and coffee estates/factories where great attention is being paid to their welfare and educational needs. Better living conditions for both permanent and migrant workers together with better medical facilities resulted in higher productivity in the year under review.

The training needs of staff at all Divisions are periodically assessed and training programmes are conducted using internal resources and/or by engaging external trainers/facilitators.

Dated : 28th May, 2013

**Cautionary Statement:**

*Statements in the Management Discussion and Analysis describing the Corporation's objectives, projections, estimates, and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Corporation's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Corporation operates, changes in the Government regulations, tax laws, vagaries of nature and other incidental factors.*



## CORPORATE GOVERNANCE REPORT

### A. MANDATORY REQUIREMENTS:

#### 1. Corporation's Philosophy on Code of Governance:

The Corporation is firmly committed to follow all the tenets of good corporate governance and places due emphasis on integrity and regulatory compliance. The Wadia Group of companies believe in transparency in their dealings and consider good corporate governance a prerequisite for meeting the needs and aspirations of all their stakeholders.

#### 2. Board of Directors:

The Board is headed by the Non-Executive Chairman, Mr. Nusli N. Wadia, and comprises of eminent persons with considerable experience in diverse business areas. The Board of Directors consists of 11 members. Of these, 2 are Executive Directors and 9 are Non-Executive Directors; more than 50% of the Board consists of Independent Directors.

During the year under review, 5 Board Meetings were held, the dates being 29th May, 2012, 8th August, 2012, 5th November, 2012, 12th February, 2013 and 25th March, 2013.

The details of composition of Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of Directorships and membership/ chairmanship of Committees in public companies are given below:

Name of the Directors	Whether Promoter, Executive OR Non-Executive/ Independent	No. of Outside Directorships held *	No. of shares held in the Corporation	No. of Board Committees of other companies in which he is a Member #.	No. of Board Meetings attended	Whether attended last AGM
Mr. Nusli N. Wadia, Chairman	Promoter & Non-Executive	7	61,41,505	—	5	Yes
Mr. A. K. Hirjee, Vice Chairman	Non-Executive & Independent	4	1,750	6 (Chairman of 2)	5	Yes
Mr. Keshub Mahindra	Non-Executive & Independent	4	—	1 (Chairman of 1)	1	No
Mr. M. L. Apte	Non-Executive & Independent	7	—	4	5	Yes
Mr. D. E. Udhwadia	Non-Executive & Independent	11	—	7 (Chairman of 1)	2	Yes
Mr. P. K. Cassels	Non-Executive & Independent	—	—	—	—	No
Mr. B. N. B. Tao	Non-Executive & Independent	—	—	—	—	No
Mr. Jeh Wadia	Promoter & Non-Executive Director	4	3,500	1	5	Yes
Ms. Vinita Bali	Non-Executive & Non-Independent	5	—	1	4	Yes
Mr. Ashok Panjwani, Managing Director	Non-Independent & Executive	6	—	—	5	Yes
Mr. Ness Wadia	Promoter & Executive Director	6	5,000	1	5	Yes

\* Excludes alternate directorship and directorship in foreign companies and private companies which are neither subsidiaries nor holding companies of public companies.

# Excludes Committees other than Audit Committee and Shareholders'/Investors' Grievance Committee, and of companies other than public limited companies.

Note: Mr Nusli N. Wadia, Mr. Jeh Wadia and Mr. Ness Wadia are relatives as per the provisions of section 6 of the Companies Act,1956.

The Board has adopted a Code of Conduct for all its Directors and members of senior management at its meeting held on 26th July, 2005. The same has also been displayed on the Corporation's website. All the Directors and members of senior management have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2013..

### 3. Committees of the Board:

#### (a) **Audit Committee:**

The Audit Committee is constituted in accordance with the requirements of Section 292A of the Companies Act, 1956 ('the Act') and Clause 49 of the Listing Agreements with Stock Exchanges.

The broad terms of reference of the Audit Committee include review of Internal Audit Reports and Statutory Auditors' Report on the Financial Statements, general interaction with the Internal Auditors and Statutory Auditors, review of related party transactions, review of adequacy of internal control systems, to approve the appointment of CFO, selection and establishment of Accounting Policies and review of quarterly and annual Financial Statements before submission to the Board, and other matters specified in Clause 49 of the Listing Agreement as also those brought within the purview of the Audit Committee's role from time to time.

The present Audit Committee consists of 3 Non-Executive and Independent Directors viz. Mr. M. L. Apte (Chairman), Mr. D. E. Udhwadia and Mr. A. K. Hirjee, members; Mr. N. H. Datanwala (V P Corporate and Company Secretary) acts as the Secretary to the Committee.

During the year under review, 4 Meetings of the Audit Committee were held, the dates being 29th May, 2012, 8th August, 2012, 2nd November, 2012 and 7th February, 2013. Mr. M. L. Apte and Mr. A. K. Hirjee attended all 4 meetings whereas Mr. D. E. Udhwadia attended 3 meetings.

#### (b) **Remuneration Committee:**

The Remuneration Committee is constituted as per the requirements of Clause 49 of the Listing Agreements with Stock Exchanges. The broad terms of reference of the Committee include approval/finalization of salary, perquisites, retirement benefits etc. payable to the Corporation's Directors including any revision thereof, deciding service contracts, notice period, etc. as also the performance criteria and the performance – linked incentive, if any, payable to them, finalisation of Commission payable and formulation of stock options policy, if and when required.

The Remuneration Committee consists of 4 Non-Executive Directors and 1 Non-Executive Promoter Director as under:

Mr. Keshub Mahindra — *Chairman*

Mr. M. L. Apte

Mr. Nusli N. Wadia

Mr. A. K. Hirjee

Mr. D. E. Udhwadia

During the year under review, 2 meetings of the Remuneration Committee were held, the dates being 29th May, 2012 and 5th November, 2012. Mr. Nusli N. Wadia, Mr. A. K. Hirjee, Mr. M. L. Apte attended both the meetings whereas Mr. Keshub Mahindra and Mr. D. E. Udhwadia attended 1 meeting.

Remuneration Policy:

The remuneration of Managing Directors is decided by the Remuneration Committee based on criteria such as industry benchmarks, the Corporation's performance *vis-à-vis* the industry performance and track record of the appointees. The Corporation pays remuneration by way of salary, commission, perquisites and allowances to its Managing Directors. Annual increments and performance incentives are decided by the Remuneration Committee within the overall salary scale approved by the members and the notifications issued in this regard by the Ministry of Company Affairs from time to time.

The Non-Executive Directors do not draw any remuneration from the Corporation other than sitting fees and such commission not exceeding 1% of the net profits of the Corporation as approved by the Shareholders and computed in the manner laid down in Section 198 of the Companies Act, 1956 as may be determined by the Board from time to time. In view of inadequacy of profits, no commission has been paid to the Non-Executive Directors.

During the year ended 31st March, 2013, the Corporation paid ₹ 14,55,205/- to the law firm M/s Udhwadia, Udeshi & Argus Partners as fees for professional services provided by them from time to time. Mr. D. E. Udhwadia is a founder partner of the above firm. The Board does not consider the firm's association with the Corporation to be of a material nature so as to affect the independence of judgment of Mr. Udhwadia as a director of the Corporation.

Remuneration to Directors:

- (i) Details of payments made to Non-Executive Directors during the year 2012-13 are given below:

(In ₹)

Name of Director	Sitting fees
Mr. Nusli N. Wadia	140,000
Mr. A. K. Hirjee	300,000
Mr. Keshub Mahindra	40,000
Mr. M. L. Apte	300,000
Mr. D. E. Udhwadia	120,000
Mr. P. K. Cassels	Nil
Mr. B. N. B. Tao	Nil
Mr. Jeh Wadia	180,000
Ms. Vinita Bali	80,000

The Bombay Burmah Trading Corporation, Limited

- (ii) Details of remuneration paid to Managing Directors during the year 2012-2013 are given below:

(In ₹)

	Salary (including allowances and bonus)	Contribution to Provident & other Funds	Perquisites in cash or kind
Mr. Ashok Panjwani	14,660,000	3,068,392	2,810,780
Mr. Ness Wadia	15,300,000	3,179,000	524,000

- (iii) In view of inadequacy of profits as computed under sections 349/ 350 of the Companies Act, 1956, the Corporation has applied to the Central Government for waiver of excess remuneration paid to Mr Ness Wadia although his remuneration is in accordance with the approval granted by the shareholders as Minimum Remuneration. In respect of remuneration paid to Mr. Ashok Panjwani in terms of shareholders' resolution dated 8th August, 2012, Central Government approval is not required in view of exemption granted vide Gen Circular no. 46/2011 dated 14.07.2011 of the Ministry of Corporate Affairs to professional directors not having any interest in the share capital of the Corporation.
- (iv) The Corporation has not granted any stock options to its wholetime directors during the year.

(c) **Shareholders' Committees:**

Shareholders'/Investors' Grievance Committee:

The Shareholders'/Investors' Grievance Committee consists of 3 Non-Executive Directors namely:

Mr. A. K. Hirjee — *Chairman*

Mr. M. L. Apte

Mr. Jeh Wadia

During the year under review, four meetings of this Committee were held, the dates being 29th May, 2012, 8th August, 2012, 2nd November, 2012 and 7th February, 2013. Mr. A. K. Hirjee, Mr. M. L. Apte and Mr. Jeh Wadia attended all the 4 meetings.

This Committee looks into redressal of shareholders' and investors' complaints with respect to transfer/transmission of shares, non-receipt of annual report, dividend warrants etc.

Share Transfer Committee:

The Board has given authority to any 2 directors residing in Mumbai to approve the transfer deeds presented in respect of transfer of shares of the Corporation. The transfer deeds received are sent to the directors every week for their approval and the same are confirmed at the subsequent Board Meeting.

All shares received for transfer were registered and dispatched within 15 days of receipt, if the documents were correct and valid in all respects. During the year under review, Transfer Deeds were sent 34 times for approval of the Directors.

Name and designation of Compliance Officer : Mr. Nitin H. Datanwala, Vice President  
Corporate & Company Secretary.

No. of Shareholders' complaints received during the year : 9

No. of Complaints not resolved to the satisfaction of shareholders : Nil

No. of pending complaints : Nil

**4. General Body Meetings:**

(a) Details of Annual General Meetings held in the three previous years and Special resolutions passed thereat:

Sr. No.	Date and Time of AGM	Venue	Special Resolutions passed
1.	10th August, 2010 at 4.00 p.m.	Rama Watumull Auditorium, K. C. College, Dinshaw Vachha Road, Churchgate, Mumbai - 400020	No Special Resolution was passed.
2.	5th August, 2011 at 11.30 a.m.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai-400 020	Consent of the Corporation under sections 198,269,309 and 311 and other related provisions of the Companies Act, 1956, for the appointment of Mr. Ness Wadia as a Managing Director of the Corporation, for a period of 5 years w.e.f. 01.04.2011 as per the terms and conditions detailed in the resolution read together with the Explanatory Statement thereto.
3.	8th August, 2012 at 3.45 p.m.	Y. B. Chavan Auditorium Gen Jagannath Bhosle Marg, Mumbai-400 021	Consent of the Corporation under sections 198,269,309 and 311 and other related provisions of the Companies Act, 1956, for the appointment of Mr. Ashok Panjwani as a Managing Director of the Corporation, for a period of 5 years w.e.f. 24.06.2012 as per the terms and conditions detailed in the resolution read together with the Explanatory Statement thereto.

(b) Details of Resolutions passed through Postal Ballot:

During the year under review, Postal Ballot was undertaken in order to secure members' approval under the Companies Act, 1956 for sub-division of the Corporation's equity shares and consequent amendments to the Memorandum and Articles of Association, as per details given hereinbelow:

Date of Notice	Description of Resolution	No. of valid postal ballot forms received	Votes cast for	Votes cast against
08.08.2012	1. Ordinary Resolution under Section 94 and other applicable provisions, if any, of the Companies Act, 1956 for sub-division of shares (1 share of ₹ 10/- each to be sub-divided into 5 shares of ₹ 2/- each)	377 10,849,222 Votes	10,834,937 (99.87 %)	14,285 (0.13%)

## The Bombay Burmah Trading Corporation, Limited

Date of Notice	Description of Resolution	No. of valid postal ballot forms received	Votes cast for	Votes cast against
	2. Ordinary Resolution under Section 16 and other applicable provisions, if any, of the Companies Act, 1956 for alteration of the existing clause 5 of the Memorandum of Association of the Corporation.	377 10,849,222 Votes	10,829,980 (99.83%)	13,865 (0.13%) (0.04% votes were neutral)
	3. Special Resolution under section 31 and other applicable provisions, if any, of the Companies Act, 1956 for alteration of Clause 3 of the Articles of Association of the Corporation.	377 10,849,222 votes	10,829,980 (99.83%)	13,865 (0.13%) (0.04% votes were neutral)

The resolutions were approved by the shareholders with the requisite and overwhelming majority.

(c) Person who conducted the Postal Ballot exercise:

Mr. Tushar Shridharani, Practising Company Secretary, was appointed by the Board as Scrutinizer to conduct the Postal Ballot process and the results of the same were declared on 25th October, 2012.

### 5. Other Disclosures:

- (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Corporation at large:  
— None.
- (b) Disclosure of Accounting Treatment:  
— In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- (c) Board Disclosures – Risk Management:  
— The Corporation has adopted and implemented Risk Management Systems and Procedures as structured by a Consultant, in respect of its Corporate Office and major unit viz. South India Plantations.
- (d) The Corporation has adopted a Code of Conduct for prevention of Insider Trading in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, for prevention of Insider Trading in the shares of the Corporation by its Directors and Designated Employees.
- (e) Details of non-compliance by the Corporation, penalties, strictures imposed on the Corporation by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years:  
— None.

- (f) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:  
 — Presently, the Corporation does not have a Whistle Blower Policy.
- (g) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:  
 — The Corporation has complied with all the mandatory requirements of this Clause. As regards the non-mandatory requirements, the extent of compliance has been stated in this report against each item.

**6. Means of Communication:**

- (i) The quarterly, half-yearly and yearly financial results of the Corporation are sent to the Stock Exchanges immediately after these are approved by the Board.
- (ii) Quarterly results: Quarterly results are published in newspapers such as Free Press Journal in English and Navshakti in Marathi.
- (iii) Any Website displayed: Yes; <http://www.bbtcl.com>
- (iv) Whether it also displays official news releases: No.
- (v) Whether presentations made to institutional investors or to the analysts: No.
- (vi) Whether Management Discussion and Analysis Report is a part of Annual Report or not: Yes.

**7. General Shareholder Information:**

(a) **AGM: Date, Time and Venue:**

7th August, 2013 at 3.45 p.m. at Rama Watumull Auditorium, K. C. College, Churchgate, Mumbai 400 020.

(b) **Financial Calendar (tentative):**

Financial reporting for the quarter ending June, 2013	By 15th August, 2013
Financial reporting for the quarter ending September, 2013	By 15th November, 2013
Financial reporting for the quarter ending December, 2013	By 15th February, 2014
Financial reporting for the year ending March 31, 2014	By 30th May, 2014
Annual General Meeting for the year ending March 31, 2014	Last week of July/first week of August, 2014

- (c) **Book closure period:** 27th July, 2013 to 7th August, 2013 (both days inclusive).
- (d) **Dividend payment date:** 14th August, 2013.
- (e) **Listing on Stock Exchanges:** The Corporation's Securities are listed at:  
 (1) Bombay Stock Exchange Limited, Mumbai; and  
 (2) The National Stock Exchange of India Ltd., Mumbai.  
 Listing fees as prescribed, have been paid to the aforesaid Stock Exchanges upto March, 2014.
- (f) **Stock Code** : BSE National Stock Exchange (NSE)  
 501425 BBTC EQ.
- (g) **Stock Market Data** : Please see Annexure 1.

The Bombay Burmah Trading Corporation, Limited

- (h) **Stock Performance** : Please see Annexure 2.  
 (i) **Registrar & Transfer Agents** : Sharepro Services (India) Private Ltd.

Unit:

The Bombay Burmah Trading Corporation, Limited  
 13AB, Samhita Warehousing Complex,  
 2nd Floor, Sakinaka Telephone Exchange Lane,  
 Off Andheri Kurla Road, Sakinaka,  
 Andheri (E), Mumbai 400 072  
 Tel: 67720316 • Fax: 2837 5646  
 E-mail: sharepro@vsnl.com

**Investor Relation Centre:**

912, Raheja Centre, Free Press Journal Road,  
 Nariman Point, Mumbai 400 021

(j) **Share Transfer System:**

Share Transfers in physical form are registered and returned within a period of 15 days from the date of receipt in case documents are complete in all respects. The total number of transfers/transmissions received and total number of shares transferred/transmitted during the year 1st April, 2012 to 31st March, 2013 were:

Particulars	No. of Transfers	No. of Shares
Transfers	96	34,035
Transmission	50	41,175
Total	146	75,210

(k) **Dematerialisation of shares and liquidity:**

87.03 % of the paid-up capital of the Corporation has been dematerialised as on 31st March, 2013..

Trading in Equity Shares of the Corporation is permitted only in dematerialised form.

(l) (i) **Distribution of Shareholding as on 31st March, 2013.**

Group of Shares	No. of Shareholders	No. of Shares held	% of Total Shares
1 to 500	9394	19,34,886	2.77
501 to 1000	1468	12,48,479	1.79
1001 to 2000	971	14,77,550	2.12
2001 to 3000	545	14,00,661	2.00
3001 to 4000	243	8,48,802	1.22
4001 to 5000	156	7,28,310	1.04
5001 to 10000	304	21,42,654	3.01
10001 and above	245	599,90,558	78.54
<b>Total</b>	<b>13,326</b>	<b>6,97,71,900</b>	<b>100.00%</b>



(ii) **Shareholding pattern as on 31st March, 2013.**

	No. of Shares held	% of Shares
Promoter Group	45980745	65.90
Financial Institutions	675400	0.96
Nationalised Banks	88850	0.13
Mutual Fund & UTI	1501210	2.15
FII's	162566	0.23
Others	21363129	31.77
<b>Total</b>	<b>697,71,900</b>	<b>100.00</b>

(m) **Plant Locations:**

- Tea and Coffee Estates : (1) Mudis Group of Estates, Mudis P.O., Coimbatore Dist., Tamil Nadu 642 117.  
(2) Singampatti Group of Estates, Manjolai P.O., Tirunelveli Dist., Tamil Nadu 627 420.  
(3) Dunsandle Estate, Dunsandle P.O., Ootacamund, Nilgiri Dist., Tamil Nadu 643 005.  
(4) Elk Hill Group of Estates, P.O. Box No. 12, Sidapur P. & T.O., South Coorg, Karnataka 571 253.  
(5) Usambara Group,  
Marvera & Herkulu Estate,  
P.O. Box 22, Soni, Tanzania.
- Weighing Products Division : Plot 304, GIDC, Valsad Industrial Estate, Gundlav, Valsad, Gujarat 396 035.
- Dental Products of India Division : Plot No. 161-B, Village Danpur, Rudrapur Kashipur Road, Paragana-Rudrapur, Tehsil Kichha Udham Singh Nagar Uttarakhand 263 153.
- Auto Ancillary Division : Plot no. 128-133, Illrd Cross Street, Nehru Nagar, Kottivakkam, Tiruvanmiyur, Chennai, Tamil Nadu - 600 041.
- Malaysian Branch : Suite 628, 6th Floor, Pan Global Plaza, Jalan Wong Ah Fook 80000, Johor Bahru, Malaysia.
- Address for Correspondence : 9, Wallace Street, Fort, Mumbai - 400 001.
- E-Mail : [bbtcl@bom2.vsnl.net.in](mailto:bbtcl@bom2.vsnl.net.in)

**B. NON-MANDATORY REQUIREMENTS:**

1. Whether Chairman of the Board is entitled to maintain a Chairman's office at the Corporation's expense and also allowed reimbursement of expenses incurred in performance of his duties:  
Yes.
2. Independent Directors:  
All independent directors have the requisite qualifications and experience to contribute effectively to the Corporation.
3. Remuneration Committee:  
Please refer para 3(b) of this Report.
4. Shareholder rights:  
As the Corporation's half yearly results are published in English and regional newspapers having adequate circulation and are also posted on its website, they are not sent separately to the shareholders other than on receipt of specific request from any shareholder in this regard.
5. Qualifications in Financial Statements:  
There are no qualifications in the Auditors' Report on the accounts for the year 2012-2013.

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Directors and Members of Senior Management have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2013.

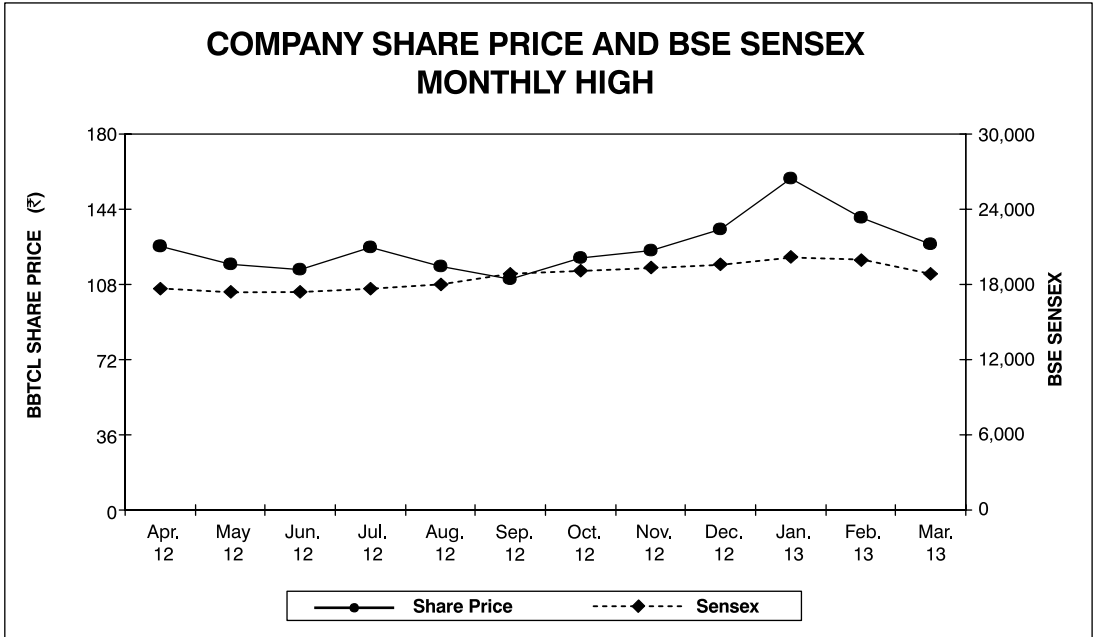
For The Bombay Burmah Trading Corporation Limited

Ashok Panjwani  
*Managing Director*

Mumbai, 28th May, 2013

**Annexure 1****BSE NSE Market Data 2013**

Month	Month's High Price (In ₹)		Month's Low Price (In ₹)		No. of Shares Traded		Value ₹ (In Lakhs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
April, 2012	631.00	631.95	542.00	536.00	201547	352113	10899	15100
May, 2012	588.00	590.00	472.10	472.35	91242	168947	5754	10198
June, 2012	574.80	573.95	501.95	506.00	93878	121855	6659	9212
July, 2012	627.50	627.00	531.00	531.60	150883	229507	7600	12269
August, 2012	583.00	584.90	510.00	510.50	87775	149000	4923	8630
September, 2012	553.00	555.00	493.85	494.00	57384	69255	3230	4391
October, 2012	603.00	604.00	540.00	541.10	105640	152788	5802	8812
November, 2012	622.00	623.70	109.55	107.65	1223390	2091496	26019	43455
December, 2012	134.45	134.70	116.25	117.60	715814	1286526	13668	24759
January, 2013	158.60	159.20	121.95	121.65	3460692	5204164	63629	98329
February, 2013	140.00	140.00	99.00	98.50	596893	668219	16831	23112
March, 2013	127.35	127.10	102.00	102.00	406993	607389	9980	13921

**Annexure 2****STOCK PERFORMANCE**

**CERTIFICATE**

**Certificate of Compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement**

**To the Members of The Bombay Burmah Trading Corporation, Limited**

We have examined the compliance of conditions of corporate governance by The Bombay Burmah Trading Corporation, Limited ("the Company") for the year ended on 31 March 2013, as stipulated in Clause 49 of the Listing Agreements entered into by the Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B S R & Co.**  
Chartered Accountants  
Firm's Registration No: 101248W

**Vijay Bhatt**  
Partner  
Membership No: 036647

Mumbai  
Dated: 28 May 2013

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of The Bombay Burmah Trading Corporation, Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, in which are incorporated the returns from Johor Bahru, Usambara and South India branches audited by branch auditors appointed under Section 228 of the Companies Act, 1956 and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- ii. in case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii. in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Emphasis of matter

Without qualifying our opinion, we draw attention to note 38 to the financial statements, regarding remuneration paid by the Company to its Managing Director during the year ended 31 March 2013 in excess of the limits specified in relevant provisions of the Companies Act, 1956 ("the Act") by ₹ 78.99 lakhs. We are informed that as required by the relevant provisions of the Act, the Company has applied to seek approval from the Central Government for excess remuneration paid. Pending the said approval in this regard, the excess remuneration paid to the Managing Director has been charged to the statement of profit and loss.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227 (3) of the Act, we report that:
  - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books and proper returns adequate for the purpose of our audit have been received from the Johor Bahru, Usambara and South India branches audited by branch auditors;
  - c. the audit reports of the Johor Bahru, Usambara and South India branches audited by branch auditors has been forwarded to us and has been dealt with by us in preparing this report;
  - d. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited branch returns;
  - e. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
  - f. on the basis of written representations received from the directors of the Company, as of 31 March 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **B S R & Co.**  
*Chartered Accountants*  
Firm's Registration No.: 101248W

**Vijay Bhatt**  
*Partner*  
Membership No: 036647

Mumbai  
28 May 2013

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT – 31 MARCH 2013**

With reference to the Annexure referred to in our report of even date, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed in respect of assets verified during the year.
- (c) Fixed assets disposed off during the year were not substantial and, therefore, do not affect the going concern assumption.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. (a) The Company has granted unsecured loan to a company covered in the register maintained under section 301 of the Companies Act, 1956 ('the Act'). The maximum amount outstanding during the year was ₹ 9,300 lakhs and the year-end balance of such loans was nil.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to the Company listed in the register maintained under section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (c) In the case of loans granted to the Company listed in the register maintained under section 301, the borrowers have been regular in repaying the principal amounts as stipulated and in the payment of interest.
- (d) There is no overdue amount of more than Rupees one lakh in respect of loans granted to the companies, firms or other parties listed in the register maintained under section 301.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraphs 4 (iii) (f) and (g) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system in respect of these areas.
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of ₹ 5 lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.

## The Bombay Burmah Trading Corporation, Limited

- vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Act in respect of products manufactured by the Company and the branch auditors have reviewed the said records in respect of South India branches in regard to tea and coffee plantations products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Investor Education and Protection Fund, Employees' State Insurance, Excise duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty and Excise duty which have not been deposited with the appropriate authorities on account of any dispute, except as stated below.

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise duty	1.47	2005-06	High Court
Central Excise Act	Excise duty	37.65	May 2004 to December 2005	Appellate tribunal of Central Excise
Central Excise Act	Excise duty	3.45	September 2004 to January 2007	Appellate tribunal of Central Excise
The Employees' Provident Funds and Miscellaneous Provisions Act	Provident Fund	98.63	August 2008 to May 2011	Appellate authority upto Commissioner level
Central Excise Act	Excise duty	3,728.24	September 2006 to October 2011	Appellate tribunal of Central Excise
Income tax Act	Income tax	64.26	2008-09	Commissioner of Income tax (Appeals)

- x. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any debenture holders and financial institutions.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund/nidhi/mutual benefit fund/society.



- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.
- xix. The Company did not have any outstanding debentures during the year.
- xx. The Company has not raised any money by public issues during the year.
- xxi. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Co.**  
*Chartered Accountants*  
Firm's Registration No.: 101248W

**Vijay Bhatt**  
*Partner*  
Membership No: 036647

Mumbai  
28 May 2013

The Bombay Burmah Trading Corporation, Limited

**BALANCE SHEET AS AT 31ST MARCH, 2013**

	Notes	(₹ in Lakhs) As at 31st March, 2013	As at 31st March, 2012
<b>A. EQUITY AND LIABILITIES</b>			
SHAREHOLDERS' FUNDS			
Share capital	1	1,396.27	1,396.27
Reserves and surplus	2	25,459.42	25,572.97
		<b>26,855.69</b>	<b>26,969.24</b>
NON-CURRENT LIABILITIES			
Long-term borrowings	3	8,344.81	12,901.04
Deferred tax liabilities (net)	4	65.22	—
Other long-term liabilities	5	46.48	42.08
Long-term provisions	6	238.11	391.78
		<b>8,694.62</b>	<b>13,334.90</b>
CURRENT LIABILITIES			
Short-term borrowings	7	4,471.55	947.44
Trade payables	8	2,037.32	861.76
Other current liabilities	9	5,226.23	3,811.05
Short-term provisions	10	2,829.31	1,244.68
		<b>14,564.41</b>	<b>6,864.93</b>
	<b>TOTAL</b>	<b>50,114.72</b>	<b>47,169.07</b>
<b>B. ASSETS</b>			
NON-CURRENT ASSETS			
Fixed assets			
- Tangible assets	11	9,916.26	5,918.23
- Intangible assets	11	16.44	3.77
- Capital work-in-progress	11	513.02	45.53
		<b>10,445.72</b>	<b>5,967.53</b>
Non-current investments	12	16,549.14	11,183.44
Deferred tax assets (net)	4	—	50.58
Long-term loans and advances	13	1,233.67	1,109.46
Other non current assets	14	23.26	16.41
		<b>17,806.07</b>	<b>12,359.89</b>
CURRENT ASSETS			
Inventories	15	9,443.47	6,112.30
Trade receivables	16	3,986.17	1,382.19
Cash and bank balance	17	5,651.40	9,675.38
Short-term loans and advances	18	2,349.77	11,315.26
Other current assets	19	432.12	356.52
		<b>21,862.93</b>	<b>28,841.65</b>
	<b>TOTAL</b>	<b>50,114.72</b>	<b>47,169.07</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>I</b>		

The notes referred to above form an integral part of the Balance Sheet

As per our attached report of even date.

For B S R & Co.

Chartered Accountants

Firm's Registration No. 101248W

Vijay Bhatt

Partner

Membership No. 036647

Mumbai,

Dated : 28th May, 2013

For and on behalf of the Board

NUSLI N. WADIA *Chairman*

A. K. HIRJEE *Vice Chairman*

M. L. APTE *Director*

D. E. UDWADIA *Director*

JEH WADIA *Director*

VINITA BALI *Director*

A. PANJWANI *Managing Director*

NESS WADIA *Managing Director*

N. H. DATANWALA *Vice President Corporate & Co. Secretary*

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

(₹ in Lakhs)

	Notes	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>INCOME</b>			
Revenue from operations (gross)	20	25,207.69	26,886.93
Less: Excise duty		858.44	856.76
Revenue from operations (net)		24,349.25	26,030.17
Other income	21	2,111.90	1,947.41
		<u>26,461.15</u>	<u>27,977.58</u>
<b>EXPENDITURE</b>			
Cost of materials consumed	22	8,328.05	9,695.31
Purchases of stock-in-trade	22	2,938.28	1,272.87
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(2,245.53)	(405.97)
Employee benefits	23	6,155.38	5,481.45
Finance costs	24	1,490.07	1,852.32
Depreciation and amortisation		692.81	715.56
Less: Transfer from Revaluation Reserve		(6.59)	—
Other expenses	25	7,294.49	8,168.18
Cost relating to Real estate under development	26	12.90	12.90
		<u>24,659.86</u>	<u>26,792.62</u>
<b>Profit before Exceptional Items and Tax</b>		<b>1,801.29</b>	<b>1,184.96</b>
<b>Exceptional items</b>			
Profit on sale of undertaking	27	—	16,470.58
Profit of erstwhile EAPL for the year ended 31st March, 2012	1-(S)	736.72	—
<b>Profit after exceptional items and before tax</b>		<u>2,538.01</u>	<u>17,655.54</u>
<b>Profit from continuing operations before tax</b>			
		2,538.01	17,261.24
Current tax expense for current year		514.00	4,494.62
Tax expense relating to profit of erstwhile EAPL for the year ended 31st March, 2012	1-(S)	121.20	—
(Less): MAT credit		—	(297.96)
Current tax expense relating to prior years		—	(1.46)
Deferred tax		9.71	117.86
		<u>644.91</u>	<u>4,313.06</u>
<b>Profit from continuing operations after tax</b>		<b>1,893.10</b>	<b>12,948.18</b>
<b>Profit from discontinuing operations before tax</b>			
	28	—	394.30
Current tax expense for current year		—	30.45
Deferred tax		—	(336.94)
		—	(306.49)
<b>Profit from discontinuing operations after tax</b>		<b>—</b>	<b>700.79</b>
<b>Profit after tax</b>		<b>1,893.10</b>	<b>13,648.97</b>
<b>Earnings per Share of Face Value of ₹ 2/- each</b>			
Basic and Diluted	29		
<b>Continuing Operations</b>			
		2.71	18.56
<b>Total Operations</b>			
		2.71	19.56
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
	I		

The notes referred to above form an integral part of the Statement of Profit and Loss

As per our attached report of even date.

For and on behalf of the Board

For B S R &amp; Co.

Chartered Accountants

Firm's Registration No. 101248W

Vijay Bhatt

Partner

Membership No. 036647

Mumbai,

Dated : 28th May, 2013

A. PANJWANI Managing Director

NESS WADIA Managing Director

N. H. DATANWALA Vice President Corporate &amp; Co. Secretary

NUSLI N. WADIA Chairman

A. K. HIRJEE Vice Chairman

M. L. APTE Director

D. E. UDWADIA Director

JEH WADIA Director

VINITA BALI Director

# The Bombay Burmah Trading Corporation, Limited

## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2013

	(₹ in Lakhs)	
	2012-13	2011-12
<b>A. Cash flows from operating activities:</b>		
Profit/(Loss) before Taxation	2,538.01	17,655.54
Less: Exceptional Item: Profit of erstwhile EAPL for the year ended 31st March, 2012	(736.72)	
Profit/(Loss) before Exceptional Item and Taxation	1,801.29	
Adjustments for:		
Depreciation	686.22	715.56
Provision for Contingencies	65.00	225.00
Inventories written off	—	47.00
(Profit) on Sale of Investments	(59.54)	—
(Profit)/Loss on Sale of Fixed Assets (Net)	(29.54)	18.26
(Profit) on Sale of Undertakings	—	(16,470.58)
Provision for Doubtful Debts (Net)	1.35	294.48
Excess Provision written back	(29.77)	(227.60)
Advances/Doubtful Debts written off	25.80	30.25
Provision for Doubtful Advances	—	29.63
Interest expense	1,486.25	1,848.50
Interest income	(1,340.59)	(1,025.58)
Dividend income	(298.04)	(322.23)
	507.14	(14,837.31)
Operating Profit before working capital changes	2,308.43	2,818.23
Adjustments for :		
(Increase)/Decrease in Trade and other receivables	(3,118.56)	650.42
(Increase)/Decrease in Inventories	(3,331.17)	(1,390.39)
Increase/(Decrease) in Trade Payables and Provisions	1,617.06	(71.70)
	(4,832.67)	(811.67)
Cash from operations	(2,524.24)	2,006.56
Currency alignment on conversion of accounts of non-integral foreign branches & on fixed assets	16.23	56.32
Direct taxes paid (Net)	(739.46)	(4,269.59)
	(3,247.47)	(2,206.71)
Exceptional Item:		
Profit of erstwhile EAPL for the year ended 31-3-12	736.72	
Tax expense of Profit of erstwhile EAPL for the year ended 31-3-12	(121.20)	
	615.52	—
Cash flow before extraordinary items	(2,631.95)	(2,206.71)
Extraordinary items	—	—
<b>Net cash used in operating activities</b> <i>out of which discontinued operations</i>	(2,631.95)	(2,206.71)
	—	1,063.72
<b>B. Cash flows from investing activities:</b>		
Purchase of fixed assets	(4,782.40)	(810.63)
Proceeds from sale of fixed assets	80.14	—
Proceeds from sale of undertaking (net of expenses)	—	27,821.73
Sale/(Purchase) of Investments	617.88	(509.42)
Proceeds from sale of investments	558.88	3.04
Advances & Loans to Subsidiaries (Net)	2,965.38	(2,601.54)
Bank Deposits withdrawn during the year (Net)	6.94	1.97
Interest income	1,240.66	1,060.79
Dividend income	298.04	322.23
<b>Net cash from investing activities</b> <i>out of which discontinued operations</i>	985.52	25,288.17
	—	(65.42)

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2013 (Contd.)**

	(₹ in Lakhs)	
	2012-13	2011-12
<b>C. Cash flows from financing activities:</b>		
Repayment of Hire Purchase loan (Net)	(17.95)	(22.39)
Proceeds of term loans	3,025.00	—
Repayment of term loans	(3,203.27)	(7,871.58)
Proceeds/(Repayment) of Cash Credit/Overdraft account	499.11	(3,212.13)
Interest paid	(1,549.49)	(1,891.89)
Dividends paid (including Corporate Dividend Tax)	(1,124.01)	(1,123.03)
<b>Net cash used in financing activities</b>	<b>(2,370.61)</b>	<b>(14,121.02)</b>
<i>out of which discontinued operations</i>	—	(747.55)
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(4,017.04)</b>	<b>8,960.44</b>
Cash and cash equivalents as at the commencement of the year	9,668.44	1,277.10
Cash and cash equivalents as at the end of the year in respect of continuing operations	5,651.40	9,668.44
	<b>(4,017.04)</b>	<b>8,391.34</b>
Cash and cash equivalents of undertakings transferred, excluded above	—	569.10
<b>Net (decrease)/increase as disclosed above</b>	<b>(4,017.04)</b>	<b>8,960.44</b>
<b>Components of Cash and Cash Equivalents as at</b>	<b>31-03-2013</b>	<b>31-03-2012</b>
<b>Cash on hand</b>	<b>32.94</b>	<b>28.24</b>
<b>Balances with Banks – on Current Account</b>	<b>5,616.49</b>	<b>720.20</b>
<b>– with Deposit Account</b>	<b>1.97</b>	<b>8,920.00</b>
	<b>5,651.40</b>	<b>9,668.44</b>

**Notes:**

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting standard (AS - 3) "Cash Flow Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (2) Component of Cash and Cash Equivalents exclude bank deposits with maturity of more than 3 months aggregating to ₹ Nil (Previous Year ₹ 6.94 lakhs).
- (3) Figures relating to previous year have been recast where necessary to conform to figures of the current year.

As per our attached report of even date.

For B S R &amp; Co.

Chartered Accountants

Firm's Registration No. 101248W

Vijay Bhatt

Partner

Membership No. 036647

Mumbai,

Dated : 28th May, 2013

For and on behalf of the Board

NUSLI N. WADIA *Chairman*A. K. HIRJEE *Vice Chairman*M. L. APTE *Director*D. E. UDWADIA *Director*JEH WADIA *Director*VINITA BALI *Director*A. PANJWANI *Managing Director*NESS WADIA *Managing Director*N. H. DATANWALA *Vice President Corporate & Co. Secretary*

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### I. Significant Accounting Policies:

#### A. Basis of Accounting

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with generally accepted accounting principles in India (GAAP) and in compliance with the applicable accounting standards and provisions of the Companies Act, 1956.

The preparation of financial statements in conformity with GAAP requires that the management of the Corporation makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference between actual results and estimates are recognised in the period in which the results are known/materialise.

During the year ended 31 March, 2012 (effective 1 April 2011), revised Schedule VI notified under the Act has become applicable to the Company for preparation and presentation of its Financial Statements. The adoption of the revised Schedule VI does not impact recognition and measurement principles followed for preparation of Financial Statements. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI.

#### B. Method of Depreciation, Deletion and Amortisation of Tangible Fixed Assets:

(i) Depreciation on Fixed Assets is provided on Straight Line basis except on assets of Sunmica Division other than Plant & Machinery, and Moulds and Dies of Weighing Products Division, at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on Fixed Assets of Sunmica Division other than Plant & Machinery is provided on written down value basis at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on Moulds and Dies of Weighing Products Division is provided on straight line basis at the rate of 20% based on the useful life as estimated by the Corporation.

(ii) Depreciation on revalued assets of Sunmica Division, South India branches (Plantations) and Auto Ancillary division (erstwhile Electromags Automotive Products Private Limited) for the year have been calculated on the revalued cost on the basis of their expected future life as estimated by the valuers. The difference between depreciation on revalued cost and original cost has been withdrawn from Revaluation Reserve and credited to Statement of Profit and Loss.

(iii) Cost of Leasehold Land is amortised over the period of lease.

(iv) Assets costing less than ₹ 5000 are fully depreciated in the year of purchase.

(v) Auto ancillary division (erstwhile Electromags Automotive Products Private Limited) carries out at every year end, technical evaluation of the moulds and dies for revising the economic useful life/usability of the assets and based on which, it writes down the moulds and dies which are not usable due to change in models, customer order etc.

#### C. Valuation of Tangible Fixed Assets:

(i) Fixed Assets are valued at cost of acquisition or construction. They are stated at historical costs or other amounts substituted for historical costs (vide note (ii) below). In respect of new projects pre-operative expenses including financing costs attributable to the acquisition/construction of fixed assets (net of income during trial run) upto the date of commencement of commercial production is included in cost.

(ii) The Land and Building of the Auto-Ancillary division (erstwhile Electromags Automotive Products Private Limited) as on 1st April, 2006 and the Plant and Machinery of Electronics Division and South India Branches (Plantations) as on 30th September, 1985 other than additions during that year were revalued on the basis of the then present worth as per valuation made by the external valuers and are stated at revalued amounts. The resultant increase was credited to Revaluation Reserve on the respective dates.

(iii) Expenditure in respect of new crops including cost of development is capitalised until the year of maturity of the Plantation.

(iv) Fixed Assets held by non-integral foreign branches are stated at cost by converting at the closing rate of exchange at the balance sheet date.

#### D. Intangible Assets :

Intangible assets are recognised as per the criteria specified in Accounting Standard (AS 26) "Intangible Assets" as notified under the Companies (Accounting Standards) Rules, 2006 and amortized as follows:

##### (i) Technical Know How Fees

Technical know-how fees for new product development is amortised over the period not exceeding five years, of agreement with supplier of technology.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

## (ii) Goodwill

Goodwill represents the excess of costs of business acquired over the fair market value of net tangible and identifiable intangible assets.

Goodwill is amortised proportionately over the period not exceeding five years from the date of acquisition of the business.

## (iii) Computer Software

In respect of auto ancillary division (erstwhile Electromags Automotive Products Private Limited), ERP related costs are amortised over a period of 5 years. For other divisions, computer software costs are amortised over the period not exceeding ten years based on the management's estimate of its useful life.

## E. Impairment of Assets:

Management evaluates at regular intervals, using external and internal sources whether there is an impairment of any asset. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its net realisable value on eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net realisable value or present value as determined.

## F. Valuation of Investments:

(i) Long Term Investments are shown at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline.

(ii) Current Investments are valued at cost or fair/market value whichever is lower.

(iii) Long Term Investments include investments in shares of companies registered outside India. They are stated at cost by converting at the rate of exchange prevalent at the time of acquisition thereof, except in case of investment by non-integral foreign branches. Investments made by such foreign branches, are stated at cost by converting at the closing rate of exchange at the balance sheet date.

## G. Employee Benefits :

## (a) Short term employee benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

## (b) Post-employment benefits:

## (i) Provident and Family Pension Fund

The eligible employees of the Corporation are entitled to receive post employment benefits in respect of provident and family pension fund, in which the Corporation make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). Employees contribute a minimum of 12%, the excess being voluntary contribution.

The contributions are made to the provident fund managed by the trust set up by the Corporation or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred. The schemes are considered as defined contribution plan.

## (ii) Superannuation

The eligible employees of the Corporation are entitled to receive post employment benefits in respect of superannuation fund in which the Corporation makes annual contribution at a specified percentage of the employees' eligible salary. The contributions are made to the ICICI Prudential Life Insurance Co. Ltd. Superannuation is classified as Defined Contribution Plan as the Corporation has no further obligations beyond making the contribution. The Corporation's contribution to Defined Contribution Plan is charged to statement of profit and loss as incurred.

## (iii) Gratuity

The Corporation has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees.

The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Corporation accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Statement of Profit and Loss.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(c) Other Long-Term Employee Benefits – Compensated Absences:

The Corporation provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Corporation makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

H. Provisions, Contingent Liabilities And Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

I. Valuation of Inventories:

- (i) Stores and spare parts are valued at lower of cost or net realisable value. Cost is calculated on weighted average basis, except in the case of Sunmica Division, where it is on First in First out basis.
- (ii) Raw materials are valued at lower of cost or net realisable value. The cost includes purchase price as well as incidental expenses and is calculated on weighted average basis, except in the case of Sunmica Division, where it is on First in First out basis.
- (iii) Tea stock is valued at cost or net realizable value whichever is lower and inclusive of cess on excise duty. Timber, coffee, pepper and cardamom in stock are valued at since realized/contracted rates or realizable value.
- (iv) Work-in-progress is valued at cost or net realisable value whichever is lower. Cost is arrived on the basis of absorption costing.
- (v) Manufactured finished goods of all divisions are valued at cost or net realisable value whichever is lower. Cost is determined on the basis of absorption costing including excise duty paid/provided on packed finished goods.
- (vi) Traded Finished goods of all divisions are valued at cost or net realisable value whichever is lower.
- (vii) Real Estate under development comprises of Freehold/Leasehold Land and Buildings at cost, converted from Fixed Assets into Stock-in –Trade and expenses related/attribution to the development/construction of the said properties. The same is valued at lower of cost or net realizable value.

J. Foreign Currency Transactions:

(i) Foreign Branches: (Non-integral operations)

- (a) All assets and liabilities, both monetary and non-monetary are translated at the closing rate;
- (b) Income and expense items are translated at the average rate prevailing during the year; and
- (c) All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the branch.

(ii) Other Transactions:

(a) Initial recognition :

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion :

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) Exchange Differences :

The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. The difference between year-end conversion rate and rate on the date of contract is recognized as exchange difference. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****K. Export Benefits/Incentives:**

Export benefits/incentives in respect of import duty benefits under DEPB scheme are accounted on accrual basis on the basis of exports made under DEPB scheme.

**L. Revenue Recognition:**

- (i) Revenue in respect of insurance/other claims, interest etc., is recognised only when it is reasonably certain that the ultimate collection will be made.
- (ii) Sale of products is recognised when the risks and rewards of ownership are passed on to the customers and no significant uncertainty as to its measurability and collectability exists.
- (iii) Sale of timber is accounted based on sale agreement/sale in auction.
- (iv) Sale of pepper is accounted based on confirmed contract of sale.
- (v) Dividend income is accounted when the right to receive payment is established and known. Interest income is recognised on the time proportion basis.

**M. Borrowing Cost :**

Interest and other costs in connection with the borrowing of the funds to the extent related/attribution to the acquisition/construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and all other borrowing costs are recognised as an expense in the period in which they are incurred.

**N. Segment Accounting Policies :****(a) Segment assets and liabilities :**

All Segment assets and liabilities are directly attributable to the segment.

Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities do not include inter-corporate deposits, share capital, reserves and surplus, borrowings, and income tax (both current and deferred).

**(b) Segment revenue and expenses :**

Segment revenue and expenses are directly attributable to segment. It does not include interest income on inter-corporate deposits, interest expense and income tax.

**O. Financial Derivatives and commodity hedging transactions:**

Outstanding derivative contracts are not marked to market at each balance sheet date. The Corporation assesses the foreseeable losses in respect of such contracts and provision is made for such estimated losses, wherever necessary. Realized gains and losses on such contracts and interest costs in foreign currencies are accounted for at the time of settlement of the underlying transactions.

**P. Taxes on Income :**

Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – “Accounting for Taxes on Income”, as notified under the Companies (Accounting Standards) Rules, 2006. Income Tax comprises both current and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Provision for Fringe Benefits Tax is made in accordance with Chapter XII-H of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.

**Q. Earnings per Share:**

The basic and diluted earnings per share (EPS) is computed by dividing Net Profit after tax for the year by weighted average number of equity shares outstanding during the year.

**R. Leases :****i. Lease transactions entered into prior to 1st April, 2002 :**

Lease rentals in respect of assets acquired under lease are charged to Statement of Profit & Loss.

**ii. Lease transactions entered into on or after 1st April, 2002 :**

- (a) Assets acquired under lease where the Corporation has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

- (b) Assets acquired on leases where significant portions of the risks and rewards incidental to ownership are retained by the lessors, are classified as operating leases. Lease rentals are charged to the Statement of Profit & Loss on accrual basis.

- S. Amalgamation of Corporation's wholly owned subsidiary, Electromags Automotive Products Private Limited (EAPL):

The Scheme of Amalgamation ('the Scheme') of Electromags Automotive Products Private Limited ('the Amalgamating Company') with the Corporation was sanctioned by the Hon'ble High Court of Judicature at Madras on 24th August, 2012. The Company has filed the certified copy of the Order with Registrar of Companies on 3rd September, 2012.

In accordance with the scheme, all assets and liabilities of the Amalgamating Company were transferred to and vested in the Corporation with effect from 1st April, 2011 ('The Appointed Date') and recorded by the Company at their book values. The Scheme has accordingly been given effect to in these financial statements which include the assets and liabilities of the Amalgamating Company with effect from 1st April, 2011 and the results of operations for the year ended 31st March, 2012. In terms of the Scheme, the book value of assets and liabilities are required to be adopted as at 1st April, 2011.

The details of the assets and liabilities acquired pursuant to the said business transfer and resultant goodwill is ascertained as below:

Particulars	Amount
<b>(A) Assets:</b>	
Tangible assets	3,244.71
Intangible assets	18.96
Investments	0.48
Loans and advances	351.10
Inventories	1,067.78
Trade receivables	2,332.55
Cash and bank balance	60.72
	<b>7,076.30</b>
<b>(B) Liabilities:</b>	
Borrowings	
Deferred tax liabilities (net)	4,018.60
	87.27
Provisions	36.60
Trade payables	1,274.53
Other current liabilities	<b>687.09</b>
	<b>6,104.09</b>
<b>(C) Net Assets Acquired [(A) - (B)]:</b>	972.21
Less: Reserves & Surplus transferred to Amalgamated Company:-	
Revaluation Reserve as on 1st April, 2011	462.37
General Reserve	20.00
Surplus in Statement of Profit and Loss	460.13
	942.50
<b>(D) Equity Share Capital</b>	<b>29.71</b>
<b>(E) Investment at cost</b>	<b>534.60</b>
<b>(F) Goodwill [(E) - (D)]</b>	<b>504.90</b>

Net Profit for the year ended 31st March, 2012 amounting to ₹ 736.72 lakhs and tax there on of ₹ 121.20 lakhs have been taken to the statement of Profit and Loss for the year.

Accordingly these accounts include the accounts of the Amalgamating Company from 1st April, 2011 to 31st March, 2012. In view of the above, the current year's figures are not comparable with those of the previous years.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2013	As at 31st March, 2012
<b>1. SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
<b>7,50,00,000</b> Equity shares of ₹ 2/- each (Previous Year 1,50,00,000 of ₹ 10/- each) (Refer Note 44)	<b>1,500.00</b>	<b>1,500.00</b>
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and paid-up</b>		
<b>6,97,71,900</b> Equity shares of ₹ 2/- each (Previous Year 1,39,54,380 of ₹ 10/- each) (Refer Note 44)	<b>1,395.44</b>	<b>1,395.44</b>
<b>Forfeited shares amount paid-up</b>	<b>0.83</b>	<b>0.83</b>
<b>TOTAL</b>	<b>1,396.27</b>	<b>1,396.27</b>

- (a) The Corporation has only one class of equity share having par value of ₹ 2/- (Previous Year ₹ 10/-) per share.
- (b) Each holder of equity shares is entitled to one vote per share.
- (c) The Corporation declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (d) During the year ended 31st March, 2013, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 3/- for every share of ₹ 2/- each (Previous Year - ₹ 7/- for every share of ₹ 10/- each)). The total dividend appropriation for the year ended 31st March, 2013 amounted to ₹ **2,448.89 lakhs** (Previous Year ₹ 1,135.27 lakhs) including corporate dividend tax of ₹ 355.73 lakhs (Previous Year ₹ 158.46 lakhs).
- (e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) Reconciliation of the shares outstanding at the beginning and at the end of reporting year:

Equity shares	31st March, 2013		31st March, 2012	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning of the year	<b>13,954,380</b>	<b>1,395.44</b>	<b>13,954,380</b>	<b>1,395.44</b>
Add: Issued during the year	—	—	—	—
Outstanding at the end of the year (Refer Note 44)	<b>69,771,900</b>	<b>1,395.44</b>	<b>13,954,380</b>	<b>1,395.44</b>

- (g) Details of shares held by each shareholder holding more than 5% shares : (Refer Note 44)

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% holding	No. of shares	% holding
1 Archway Investment Co. Ltd.	<b>13,038,600</b>	<b>18.69</b>	<b>2,607,720</b>	<b>18.69</b>
2 N. W. Exports Ltd.	<b>9,817,275</b>	<b>14.07</b>	<b>1,963,455</b>	<b>14.07</b>
3 Naperol Investments Ltd.	<b>4,208,400</b>	<b>6.03</b>	<b>841,680</b>	<b>6.03</b>
4 Mr. Nusli N. Wadia	<b>6,141,505</b>	<b>8.80</b>	<b>1,228,301</b>	<b>8.80</b>
5 Wallace Brothers. Trading & Industrial Ltd., U.K.	<b>5,660,700</b>	<b>8.11</b>	<b>1,132,140</b>	<b>8.11</b>
	<b>38,866,480</b>	<b>55.70</b>	<b>7,773,296</b>	<b>55.70</b>

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>2. RESERVES AND SURPLUS</b>		
<b>Capital reserve</b>		
At the commencement and end of the year	89.47	89.47
<b>Securities premium account</b>		
At the commencement and end of the year	3,637.21	3,637.21
<b>Revaluation reserve</b>		
Opening balance	—	—
Add: Taken over from the erstwhile EAPL consequent to amalgamation (Refer Note I-(S))	453.44	—
Less: Utilised for set off against depreciation	(6.59)	—
Closing balance	446.85	—
<b>General reserve</b>		
Opening balance	4,329.46	2,929.46
Add: Taken over from the erstwhile EAPL consequent to amalgamation (Refer Note I-(S))	20.00	—
Less: Goodwill on amalgamation of the erstwhile EAPL	(504.90)	—
Add: Transfer from Surplus in Statement of Profit and Loss	190.00	1,400.00
Closing balance	4,034.56	4,329.46
<b>Foreign currency translation reserve</b>		
Opening balance	28.17	(47.50)
Add: Effect of foreign exchange rate variations during the year	20.16	75.67
Closing balance	48.33	28.17
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	17,488.66	6,374.96
Add: Taken over from the erstwhile EAPL consequent to amalgamation (Refer Note I-(S))	460.13	—
Add: Profit for the year	1,893.10	13,648.97
Less : Appropriations		
Proposed Dividend (dividend per share ₹ 3/- for every share of ₹ 2/- each (Previous Year - ₹ 7/- for every share of ₹ 10/- each)	2,093.16	976.81
Corporate Dividend Tax thereon	355.73	158.46
Transferred to General Reserve	190.00	1,400.00
Closing balance	17,203.00	17,488.66
TOTAL	<u>25,459.42</u>	<u>25,572.97</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(₹ in Lakhs)	
		As at 31st March, 2013	As at 31st March, 2012
<b>3. LONG-TERM BORROWINGS</b>			
Term loans			
From banks – Secured		<b>8,300.00</b>	12,838.28
Other loans			
Loan against vehicles – Secured		<b>44.81</b>	62.76
	TOTAL	<b>8,344.81</b>	12,901.04
<b>Note</b>			
(i) Details of terms of repayment and security provided			
Term loans from banks:			
AXIS Bank – Rupee Term Loan	Refer note (a)	<b>7,800.00</b>	9,000.00
HDFC Bank – Rupee Term Loan	Refer note (b)	<b>500.00</b>	1,000.00
HDFC Bank – FCNR Term Loan	Refer note (c)	—	2,058.65
HDFC Bank – FCNR Term Loan	Refer note (d)	—	779.63
<b>Total Term loans from banks</b>		<b>8,300.00</b>	12,838.28
Other loans and advances:			
Loan against vehicles	Refer note (e)	<b>44.81</b>	62.76
<b>Total Other loans and advances</b>		<b>44.81</b>	62.76
	TOTAL	<b>8,344.81</b>	12,901.04

- (a) Rupee Agri loan from Axis bank of ₹ 10,000 Lakhs, - current outstanding ₹ 7,800 Lakhs is repayable in 2 annual installments from 1st April, 2014 to 1st April, 2015 of ₹ 1,500 Lakhs and ₹ 6,300 Lakhs respectively. The loan is secured by exclusive charge over Elkhill Estate. The rate of interest on the loan is ranging from 7.5% to 10%.
- (b) Rupee loan from HDFC bank of ₹ 2,000 Lakhs, - current outstanding - ₹ 1,000 Lakhs is repayable in 2 equal annual installments of ₹ 500 Lakhs from 1st April, 2014 to 31st March, 2015. The loan is to be secured by extension of charge of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with Buildings and structures thereon in favour of HDFC Bank. The rate of interest on the loan is ranging from 7.5% to 10.5%.
- (c) FCNR loan from HDFC bank of USD 15.982 Million - current outstanding ₹ 2,188.75 Lakhs (USD 4.024 Million) is repayable in an annual installment of ₹ 2,188.75 Lakhs (USD 4.024 Million) on 31st March, 2014. The loan is secured by way of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with Buildings and structures thereon securities for other Term loans/WCDL. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4%.
- (d) FCNR loan from HDFC bank of USD 5.08 Million - current outstanding ₹ 828.89 Lakhs (USD 1.524 Million), is repayable in 2 semi- annual installments of ₹ 414.45 Lakhs (USD 0.762 Million), ₹ 414.45 Lakhs (USD 0.762 Million) on 30th June, 2013 and 31st December, 2013 respectively. The loan is secured by way of an equitable mortgage by deposit of title deeds of Mudis and Singampatti estates together with Buildings and structures thereon securities for other Term loans/WCDL. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4%.
- (e) Loan against vehicles are secured by lien on vehicle purchased.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>4. NET DEFERRED TAX (ASSET)/LIABILITY</b>		
<b>Timing difference on account of:</b>		
<b>Deferred Tax Liability (Refer note below)</b>		
– Difference between book written down value and written down value under the Income-Tax act, 1961	363.52	176.15
– Difference between book written down value and written down value under the Karnataka Agricultural Income-tax Act 1957	49.59	24.30
<b>Less: Deferred Tax Asset</b>		
– Provision for Doubtful Debts, Advances, Derivative Loss, Contingencies	(347.89)	(251.03)
<b>Net Deferred Tax (Asset)/Liability</b>	<b>65.22</b>	<b>(50.58)</b>
Note: Includes deferred tax liability takeover from erstwhile EAPL consequent to amalgamation (Refer Note I - (S))		

**5. OTHER LONG-TERM LIABILITIES**

Rental/Trade Deposit	46.48	42.08
TOTAL	<u>46.48</u>	<u>42.08</u>

**6. LONG-TERM PROVISIONS**

**Provision for employee benefits:**

– Compensated absences	7.43	—
– Pension fund	37.02	40.28
	<u>44.45</u>	<u>40.28</u>

**Provision – Others:**

– Fringe Benefit Taxation (Net of Advance tax ₹ 40.50 lakhs (Previous Year - ₹ 40.50 lakhs)	3.66	1.50
– Provision for other contingencies (Refer Note 42)	190.00	350.00
TOTAL	<u>238.11</u>	<u>391.78</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2013	As at 31st March, 2012
<b>7. SHORT-TERM BORROWINGS</b>		
<b>Loans repayable on demand (Refer Note below)</b>		
Secured		
– From Banks	1,441.55	942.44
Unsecured		
– From Banks	3,000.00	—
Intercorporate deposits		
Unsecured		
– From Others	—	5.00
– From Related Parties (Refer Note 36)	30.00	—
TOTAL	<u>4,471.55</u>	<u>947.44</u>

**Note: Details of security for the secured short-term borrowings:**

Secured Loans from banks:

Axis Bank – Cash Credit	Refer note (a)	436.14	0.91
HDFC Bank – Cash Credit	Refer note (b & c)	21.24	15.86
HDFC Bank – FCNR WCDL	Refer note (b & c)	984.17	925.67
		<u>1,441.55</u>	<u>942.44</u>

- (a) Cash Credit from Axis Bank of ₹ 436.14 Lakhs (Previous Year ₹ 0.91 Lakhs), is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Elkhill Estates. The rate of interest on the loan is ranging from 11% to 13%.
- (b) Cash Credit from HDFC Bank of ₹ 21.24 Lakhs (Previous Year ₹ 15.86 Lakhs) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Singampatti & Mudis Estates. The rate of interest on the loan is ranging from 11% to 13%.
- (c) The FCNR Working Capital Loan from HDFC Bank of ₹ 984.17 Lakhs (Previous Year ₹ 925.67 Lakhs) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Singampatti & Mudis Estates. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4%.

**8. TRADE PAYABLES**

Trade payables:

– Due to Micro, Small and Medium Enterprises (Refer Note 43)	—	—
– Others	2,037.32	861.76
TOTAL	<u>2,037.32</u>	<u>861.76</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	(₹ in Lakhs)	
	<b>As at 31st March, 2013</b>	<i>As at 31st March, 2012</i>
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Refer Note below)	<b>3,556.23</b>	<i>2,221.22</i>
Interest accrued but not due on borrowings	<b>25.35</b>	<i>88.59</i>
Unpaid dividends	<b>60.06</b>	<i>48.80</i>
Other payables:		
– Statutory liabilities *	<b>126.90</b>	<i>150.96</i>
– Trade/security deposits received	<b>319.75</b>	<i>320.30</i>
– Related parties	<b>48.19</b>	<i>—</i>
– Advances from customers	<b>37.54</b>	<i>15.62</i>
– Other liabilities	<b>1,052.21</b>	<i>965.56</i>
<b>TOTAL</b>	<b><u>5,226.23</u></b>	<i><u>3,811.05</u></i>
Note: Current maturities of long term debts are secured as under:		
From Banks (Refer Note 3b, 3c & 3d for security)	<b>3,522.06</b>	<i>2,191.71</i>
Others – Loan against vehicle (Refer Note 3e for security)	<b>34.17</b>	<i>29.51</i>
<b>TOTAL</b>	<b><u>3,556.23</u></b>	<i><u>2,221.22</u></i>

\* Includes Service Tax, VAT, TDS, Excise, Provident Fund and ESIC.

**10. SHORT-TERM PROVISIONS**

**Provision for employee benefits:**

– Provision for bonus	<b>21.91</b>	<i>—</i>
– Provision for leave travel assistance	<b>11.26</b>	<i>—</i>
– Provision for compensated absences	<b>122.25</b>	<i>109.41</i>
	<b><u>155.42</u></b>	<i><u>109.41</u></i>

**Provision Others:**

– Provision for other contingencies (Refer Note 42)	<b>225.00</b>	<i>—</i>
– Provision for proposed equity dividend	<b>2,093.16</b>	<i>976.81</i>
– Provision for tax on proposed dividends	<b>355.73</b>	<i>158.46</i>
	<b><u>2,673.89</u></b>	<i><u>1,135.27</u></i>
<b>TOTAL</b>	<b><u>2,829.31</u></b>	<i><u>1,244.68</u></i>





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

			(₹ in Lakhs)					
			As at 31st March, 2013			As at 31st March, 2012		
			Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>12. NON-CURRENT INVESTMENTS</b>								
Long Term Investments (At cost):								
<b>A. TRADE</b>								
Fully paid at Cost –								
1,774 Ordinary Shares of Anamallais Ropeway Co. Limited of ₹ 100 each	—	0.01	0.01	—	0.01	0.01		
5 Ordinary Shares of The Nilgiris Co-operative Central Stores Limited of ₹ 50 each (Face Value ₹ 250, Book Value ₹ 255)	—	—	—	—	—	—		
250 Shares of The Valparai Co-operative Wholesale Stores Limited of ₹ 10 each	—	0.03	0.03	—	0.03	0.03		
1 Share of The Coorg Orange Growers' Co-operative Society Limited of ₹ 100 (Face Value ₹ 100, Book Value ₹ 100)	—	—	—	—	—	—		
50 "Member" Shares of The Tanganyika Farmers' Co-operative Association Limited of Shs. 1,000 each (Face Value Shs. 50,000 Book Value ₹ 3,090)	—	0.02	0.02	—	0.02	0.02		
<b>Total – Trade (A)</b>	<b>—</b>	<b>0.06</b>	<b>0.06</b>	<b>—</b>	<b>0.06</b>	<b>0.06</b>		
<b>B. OTHER INVESTMENTS</b>								
(a) Investment in equity instruments								
(i) Of Subsidiaries								
76,050 Ordinary Shares of Afco Industrial & Chemicals Limited of ₹ 100 each	—	60.02	60.02	—	60.02	60.02		
Nil (Previous Year 2,97,000) Ordinary Shares of Electromags Automotive Products Private Limited of ₹ 10 each	—	—	—	—	534.60	534.60		
20,000 Ordinary Shares of DPI Products & Services Limited of ₹ 100 each	—	73.62	73.62	—	73.62	73.62		
4,71,13,550 (Previous Year 1,06,65,000) Ordinary Shares of Leila Lands Sdn. Bhd. of RM. 1 each	—	6,482.92	6,482.92	—	83.28	83.28		
5,982 Equity Shares of Sea Wind Investment And Trading Company Limited of ₹ 100 each	—	5.98	5.98	—	5.98	5.98		
	<b>—</b>	<b>6,622.54</b>	<b>6,622.54</b>	<b>—</b>	<b>757.50</b>	<b>757.50</b>		
(ii) Of Associates								
48,000 Equity Shares of Inor Medical Products Limited of ₹ 10 each	—	0.29	0.29	—	0.29	0.29		
4,999 Equity Shares of Lima Investment & Trading Company Pvt. Limited of ₹ 100 each	—	5.00	5.00	—	5.00	5.00		
2,44,991 Equity Shares of Lotus Viniyog Pvt. Limited of ₹ 10 each	—	24.50	24.50	—	24.50	24.50		
4,999 Equity Shares of Cincinnati Investment & Trading Company Pvt. Limited of ₹ 100 each	—	5.00	5.00	—	5.00	5.00		
4,999 Equity Shares of Roshnara Investment & Trading Company Pvt. Limited of ₹ 100 each	—	5.00	5.00	—	5.00	5.00		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)					
	As at 31st March, 2013			As at 31st March, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
1 Equity Share of The Bombay Burmah Trading Employees' Welfare Co. Limited, of ₹ 100 (Face Value ₹ 100, Book Value ₹ 100)	—	—	—	—	—	—
1 Equity Share of National Peroxide Employees' Welfare Company Limited of ₹ 100 (Face Value ₹ 100, Book Value ₹ 100)	—	—	—	—	—	—
	—	39.79	39.79	—	39.79	39.79
(iii) Of Other Entities						
29,644,375 (Previous Year 59,28,875) Equity Shares of The Bombay Dyeing and Manufacturing Co. Limited, (BDMC) of ₹ 2 each (Previous Year ₹ 10 each).	9,868.91	—	9,868.91	9,868.91	—	9,868.91
4,704 Equity Shares of Citurgia Biochemicals Limited, of ₹ 10 each	0.47	—	0.47	0.47	—	0.47
16 Equity Shares of The Associated Cement Company Limited, of ₹ 10 each (Face Value ₹ 160, Book Value ₹ 160)	—	—	—	—	—	—
11,580 Equity Shares of B.R.T. Limited of ₹ 100 each	—	15.87	15.87	—	15.87	15.87
500 Equity Shares of State Bank of Travancore ₹ 10 each	0.30	—	0.30	—	—	—
500 Equity Shares of Canara Bank ₹ 10 each	0.18	—	0.18	—	—	—
Nil (Previous year - 35,000) Ordinary Share of AICA laminates India Private Limited of ₹ 1000 each	—	—	—	—	499.80	499.80
1 Ordinary Share of Daisylea Apartment Owners' Association of ₹ 100 (Face Value ₹ 100, Book Value ₹ 100)	—	—	—	—	—	—
15 Shares of Hermes Park Co-operative Housing Society Limited of ₹ 50 each	—	0.01	0.01	—	0.01	0.01
10 Shares of Reena Park Co-operative Housing Society Limited of ₹ 50 each (Face Value ₹ 500, Book Value ₹ 500)	—	—	—	—	—	—
	9,869.86	15.88	9,885.74	9,869.38	515.68	10,385.06
(b) Investment in Government Securities		1.01	1.01		1.03	1.03
	—	1.01	1.01	—	1.03	1.03
<b>Total – Other investments (B)</b>	<b>9,869.86</b>	<b>6,679.22</b>	<b>16,549.08</b>	<b>9,869.38</b>	<b>1,314.00</b>	<b>11,183.38</b>
<b>Total (A+B)</b>	<b>9,869.86</b>	<b>6,679.28</b>	<b>16,549.14</b>	<b>9,869.38</b>	<b>1,314.06</b>	<b>11,183.44</b>
Less: Provision for diminution in value of investments	—	—	—	—	—	—
<b>Total</b>	<b>9,869.86</b>	<b>6,679.28</b>	<b>16,549.14</b>	<b>9,869.38</b>	<b>1,314.06</b>	<b>11,183.44</b>
Aggregate amount of quoted investments			9,869.86			9,869.38
Aggregate market value of listed and quoted investments			25,950.97			34,386.34
Aggregate amount of unquoted investments			6,679.28			1,314.06

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>13. LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured</b>		
<b>Considered good</b>		
<b>Related parties</b>		
– Loans due from a Director (Refer Note 36)	50.00	—
<b>Others</b>		
– Security deposits	131.10	154.40
– Capital advances	8.74	—
– Advances to employees	91.26	130.61
– Advance income tax (net of provisions ₹ 7,062.58 lakhs (Previous Year ₹ 6,402.15 lakhs))	182.52	80.41
– Balances with government authorities	196.63	21.10
– Other loans and advances		
– Intercompany advances	—	400.00
– Others	573.42	322.94
<b>Considered Doubtful</b>		
– VAT credit receivable	1.86	1.86
– Deposit towards contingent liabilities (Refer Note 30D)	25.00	25.00
– Excise duty receivable	122.47	122.47
– Other loans and advances	124.86	141.87
	<u>1,507.86</u>	<u>1,400.66</u>
<i>Less:</i> Provision for doubtful Loans and Advances	274.19	291.20
TOTAL	<u><u>1,233.67</u></u>	<u><u>1,109.46</u></u>
<hr/>		
<b>14. OTHER NON CURRENT ASSETS</b>		
– Non current portion of other Bank balances	23.26	16.41
TOTAL	<u><u>23.26</u></u>	<u><u>16.41</u></u>
<hr/>		
<b>15. INVENTORIES</b>		
(At Lower of Cost and net realisable value)		
Raw materials	684.62	89.45
Work-in-progress	438.19	96.57
Finished goods (other than those acquired for trading)	3,181.21	2,400.23
Stock-in-trade (acquired for trading)	2,561.37	1,006.35
Stores and spares including Loose Tools	590.70	609.11
Others - Real Estate under development	1,987.38	1,910.59
TOTAL	<u><u>9,443.47</u></u>	<u><u>6,112.30</u></u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2013	As at 31st March, 2012
<b>16. TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
– considered good	308.78	96.91
– considered doubtful	400.34	347.88
	<u>709.12</u>	<u>444.79</u>
Less: Provision for doubtful trade receivables	400.34	347.88
	<u>308.78</u>	<u>96.91</u>
Other trade receivables		
– considered good	3,677.39	1,285.28
TOTAL	<u><u>3,986.17</u></u>	<u><u>1,382.19</u></u>

**17. CASH AND BANK BALANCE****Cash and cash equivalents**

Cash on hand	32.94	28.24
Balances with banks		
– In current accounts	5,540.55	671.40
– In EEFC accounts	15.88	—
– In deposit accounts	1.97	8,920.00
Other bank balance		
– Unpaid dividend accounts	60.06	48.80
– Bank deposits	—	6.94
TOTAL	<u><u>5,651.40</u></u>	<u><u>9,675.38</u></u>

**18. SHORT-TERM LOANS AND ADVANCES****Unsecured****Considered good**

– Related parties (Refer Note 36)	1,541.60	10,989.90
Others		
– Security deposits	1.36	0.11
– Loans and advances to employees	107.41	168.15
– Prepaid expenses	101.91	76.94
– Balances with government authorities	249.84	34.97
– Others	347.65	45.19
TOTAL	<u><u>2,349.77</u></u>	<u><u>11,315.26</u></u>

**19. OTHER CURRENT ASSETS**

Earnest Money deposit	1.44	1.21
Accruals		
– Interest accrued on deposits		
– Related party (Refer Note 36)	105.20	
– Others	7.61	12.88
– Export benefit receivable	317.87	336.20
– Others	—	6.23
TOTAL	<u><u>432.12</u></u>	<u><u>356.52</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>20. REVENUE FROM OPERATIONS</b>		
Sale of products [Refer Note (i) below]	24,354.97	25,865.52
Sale of services (Refer Note (ii) below)	22.60	21.83
Other operating revenues [Refer Note (iii) below]	830.12	999.58
	<u>25,207.69</u>	<u>26,886.93</u>
<i>Less:</i>		
Excise duty	858.44	856.76
TOTAL	<u><u>24,349.25</u></u>	<u><u>26,030.17</u></u>
<b>Note (i)</b>		
Sale of products comprises :		
<b>Manufactured goods</b>		
Tea	8,792.70	7,974.32
Coffee	1,367.69	1,227.07
Other plantation products	35.66	511.38
Autoancillary - Switches, Solenoids, etc.	10,590.98	—
Laminates	—	4,376.22
Precision springs	—	8,732.10
Weighing products	205.83	209.73
Dental products	1,636.85	1,398.63
Sub-Total	<u>22,629.71</u>	<u>24,429.45</u>
<b>Traded goods</b>		
Tea	51.40	60.40
Coffee	1,478.37	1,210.11
Weighing products	28.24	21.22
Dental products	167.25	144.34
Sub-Total	<u>1,725.26</u>	<u>1,436.07</u>
TOTAL	<u><u>24,354.97</u></u>	<u><u>25,865.52</u></u>
<b>Note (ii)</b>		
Sale of services comprises :		
Weighing products	22.60	21.83
TOTAL	<u><u>22.60</u></u>	<u><u>21.83</u></u>
<b>Note (iii)</b>		
Other operating revenues comprise:		
Sale of scrap	192.49	2.25
Duty drawback and other export incentives	420.26	331.31
Expenses recovered from subsidiaries and other Companies	128.68	583.76
Rent (including machinery etc. - hire charges/lease rent)	88.69	82.26
TOTAL	<u><u>830.12</u></u>	<u><u>999.58</u></u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>21. OTHER INCOME</b>		
Interest income [Refer Note (i) below]	1,340.59	1,025.58
Dividend income from :		
– Subsidiaries	—	113.27
– Associates	1.44	1.44
– Others	296.60	207.52
Gain on sale of long term investments	59.54	—
Net gain on foreign currency transactions and translation (other than considered as finance cost)	277.94	—
Other non-operating income [Refer Note (ii) below]	135.79	599.60
TOTAL	<u>2,111.90</u>	<u>1,947.41</u>
<b>Note (i)</b>		
Interest income on :		
– Bank deposits	107.61	470.53
– Loans and advances	1,231.53	547.18
– Loans given to Directors	1.45	—
– Income-tax refund	—	7.87
TOTAL	<u>1,340.59</u>	<u>1,025.58</u>
<b>Note (ii)</b>		
Other non-operating income :		
– Rental income from investment properties	29.39	30.71
– Profit on sale of fixed assets (Net)	29.53	—
– Liabilities/provisions no longer required written back	29.77	227.60
– Miscellaneous income (includes compensation from surrender of tenancy rights)	47.09	341.29
TOTAL	<u>135.78</u>	<u>599.60</u>
<b>22. COST OF MATERIALS CONSUMED</b>		
Opening stock	89.45	1,749.42
Add: Acquired on amalgamation from erstwhile EAPL [Refer Note I-(S)]	414.16	—
Add: Purchases	8,509.06	8,892.78
	<u>9,012.67</u>	<u>10,642.20</u>
Less: Transferred on sale of undertakings	—	857.44
Less: Closing stock	684.62	89.45
TOTAL	<u>8,328.05</u>	<u>9,695.31</u>
Material consumed comprises:		
Paper Prints	—	1,258.05
Chemicals	965.80	1,081.36
Bought Leaf	1,696.10	1,343.00
Miscellaneous Raw Materials	—	980.51
Steel Wires	—	4,978.28
Electronic and Mechanical Components	5,666.15	54.11
TOTAL	<u>8,328.05</u>	<u>9,695.31</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>22. PURCHASE OF STOCK-IN-TRADE</b>		
Tea	62.21	50.65
Coffee	2,782.15	1,101.72
Laminates	—	10.15
Weighing products	16.33	15.74
Dental products	77.59	94.61
TOTAL	<u>2,938.28</u>	<u>1,272.87</u>
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories at the end of the year:</b>		
Finished goods(including stock in trade of traded goods)	5,742.58	3,406.58
Work-in-progress	438.19	96.57
	<u>6,180.77</u>	<u>3,503.15</u>
<b>Inventories at the beginning of the year:</b>		
Finished goods (including stock in trade of traded goods)	3,406.58	4,891.63
Add: Acquired on amalgamation from erstwhile EAPL [Refer Note I-(S)]	48.39	—
Work-in-progress	96.57	541.58
Add: Acquired on amalgamation from erstwhile EAPL [Refer Note I-(S)]	383.70	—
	<u>3,935.24</u>	<u>5,433.21</u>
Less: Transferred on sale of undertakings	—	2,336.03
	<u>3,935.24</u>	<u>3,097.18</u>
Net Decrease/(Increase)	<u>(2,245.53)</u>	<u>(405.97)</u>
<b>23. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	5,058.06	4,621.42
Contributions to provident and other funds (Refer Note 37)	808.10	580.47
Staff welfare expenses	340.30	326.39
Less: Transferred to real estate under development (refer note 26)	51.08	46.83
TOTAL	<u>6,155.38</u>	<u>5,481.45</u>
<b>24. FINANCE COSTS</b>		
Interest expense on:		
– Bank Borrowings and Others	1,468.65	1,848.50
Bank charges	21.42	3.82
TOTAL	<u>1,490.07</u>	<u>1,852.32</u>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>25. OTHER EXPENSES</b>		
Consumption of stores and spare parts	1,165.54	1,333.47
Increase of excise duty on inventory	14.28	42.02
Power and fuel	1,143.92	1,363.45
Rent including lease rentals (Refer Note 40)	121.15	208.88
Repairs and maintenance - Buildings	275.25	229.08
Repairs and maintenance - Machinery	194.08	259.07
Repairs and maintenance - Others	133.70	105.21
Insurance	69.99	69.20
Rates and taxes	88.69	81.42
Communication	78.41	88.57
Travelling and conveyance	291.08	268.73
Printing and stationery	86.58	62.30
Freight and forwarding	554.56	879.85
Sales and business promotion expenses	451.93	907.15
Legal and professional	322.38	159.11
Retainer fees	70.55	18.96
Brand equity and Shared expenses	88.47	29.36
Payments to auditors (Refer Note below)	29.53	26.91
Bad trade and other receivables, loans and advances written off	25.80	30.25
Director's sitting fees	11.60	10.61
Net loss on foreign currency transactions and translation (other than considered as finance cost)	—	7.13
Obsolete stocks written off	—	47.00
Loss on fixed assets sold/scrapped/written off	—	18.26
Provision for doubtful trade and other receivables, loans and advances (net)	1.35	294.48
Processing charges/Sub-Contracting	1,243.98	569.59
Contract labour charges	254.89	—
Technical know-how fees/royalty	—	46.29
Provision for contingencies	65.00	225.00
Miscellaneous expenses	550.39	806.50
Less : Transferred to real estate under development (Refer Note 26)	38.61	19.67
TOTAL	<u>7,294.49</u>	<u>8,168.18</u>
<b>Note:</b>		
Payments to the auditors:		
– Statutory audit fees (Including branch auditors)	16.36	11.64
– Other services	10.92	13.35
– Reimbursement of expenses	2.25	1.92
TOTAL	<u>29.53</u>	<u>26.91</u>
<b>26. COST RELATING TO REAL ESTATE UNDER DEVELOPMENT</b>		
Opening inventory (Real estate under development)	1,910.59	1,856.99
Add: Expenditure relating to real estate division incurred during the year		
Payments to and provision for employees (Refer Note 23)	51.08	46.83
Contract/retainership fees (Refer Note 25)	24.65	5.49
Travelling and other expenses (Refer Note 25)	13.96	14.18
	<u>89.69</u>	<u>66.50</u>
	2,000.28	1,923.49
Closing Stock (Real Estate under Development) (Refer Note 15)	1,987.38	1,910.59
TOTAL	<u>12.90</u>	<u>12.90</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**27. PROFIT ON SALE OF UNDERTAKINGS**

During the previous year ended 31st March, 2012, pursuant to the approval of shareholders and other authorities, the Corporation transferred and sold Sunmica Division (Building Products) with effect from close of business hours on 31st October, 2011 and BCL Springs Division (Auto Ancillary Products) with effect from close of business hours on 30th November, 2011 on a slump sale basis for a lumpsum consideration.

Previous year's figures include profit on sale of these undertakings as given hereunder :

	<i>(₹ in Lakhs)</i>
Profit on sale of BCL Springs Division	—
	<i>(12,493.44)</i>
Profit on sale of Sunmica Division	—
	<i>(3,977.14)</i>
TOTAL	<u>—</u>
	<u><i>(16,470.58)</i></u>

**28. PROFIT FROM DISCONTINUED OPERATIONS OF DIVISIONS:**

Previous year's figures include profit from discontinued operations of Sunmica Division (Building Products) and BCL Springs Division (Auto Ancillary Products) upto the date of transfer/sale as mentioned in Note No. 27. The details of Revenue, Expenditure and Profits upto the date of their respective transfer/sale as accounted for in the previous year are given below:

	<b>BCL Springs</b>	<b>Sunmica</b>
	<i>(Auto Ancillary Products)</i>	<i>(Building Products)</i>
Revenue net of excise and other income from operations	7,975.77	4,521.97
Expenditure	7,489.89	4,613.55
Profit/(Loss) from Discontinued Operations	485.88	(91.58)
Total Profit from discontinued operations:		
BCL Springs (Auto Ancillary Products)	485.88	
Sunmica (Building Products)	(91.58)	
TOTAL	<u>394.30</u>	

**29. EARNINGS PER SHARE FROM CONTINUING OPERATIONS:**

	<b>Current Year</b>	<i>Previous Year</i>
	<i>(₹ in Lakhs)</i>	<i>(₹ in Lakhs)</i>
(A) Net Profit for calculation of Earnings per Share (numerator)	<b>1,893.10</b>	<i>12,948.18</i>
(B) Weighted Average number of equity shares (denominator)	<b>69,771,900</b>	<i>69,771,900</i>
(C) Basic and Diluted Earnings per shares (A/B) (in ₹)	<b>2.71</b>	<i>18.56</i>
(D) Nominal value per equity share (in ₹) (Refer Note 44)	<b>2</b>	<i>2</i>

**EARNINGS PER SHARE FROM TOTAL OPERATIONS:**

(A) Net Profit for calculation of Earnings per Share (numerator)	<b>1,893.10</b>	<i>13,648.97</i>
(B) Weighted Average number of equity shares (denominator)	<b>69,771,900</b>	<i>69,771,900</i>
(C) Basic and Diluted Earnings per shares (A/B) (in ₹)	<b>2.71</b>	<i>19.56</i>
(D) Nominal value per equity share (in ₹) (Refer Note 44)	<b>2</b>	<i>2</i>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 30. CONTINGENT LIABILITIES NOT PROVIDED FOR:

A. Sundry claims against the Corporation by employees and others not admitted (amount indeterminate). In the opinion of the management, the outcome of these claims is likely to be immaterial.

B. Disputed demands of Central Excise Department not provided for in respect of:

	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
South India Consolidation (Plantations Division)	1.47	1.47
Erstwhile Sunmica Division (Building Products Division)	3,728.24	Nil

C. Disputed wage demands pending with the Industrial Tribunal ₹ 232.25 Lakhs (Previous Year ₹ 232.25 lakhs) and back wages relief granted by Labour Court ₹ Nil (Previous Year ₹ 0.58 lakhs) in respect of South India Branches

D. Damages and interest on alleged unauthorized occupation of residential premises determined by the Estate Officer L.I.C. up to 31st March 2013 and disputed by the Corporation ₹ 101.37 lakhs (Previous Year ₹ 140.96 lakhs).

E. PF Demand on allowance paid to workers ₹ Nil (Previous Year ₹ 98.63 Lakhs)

The Corporation has created provision against contingencies described in items nos. B to E as an abundant precaution. (Refer Note No. 42)

F. Letter of Credit in respect of erstwhile BCL Springs ₹ Nil (Previous Year ₹ 329.39 Lakhs).

G. Matters under dispute relating to Income tax in respect of the erstwhile Electromags Automotive Products Private Limited. A.Y. 2004-05 ₹ 5.23 lakhs, for the A.Y. 2009-10 ₹ 64.26 lakhs and for A.Y 2011-12 ₹ 1.79 Lakhs.

31. Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 303.67 Lakhs (Previous Year ₹ 140.25 Lakhs)

	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
South India Consolidation (Plantations Division)	294.80	140.25
Electromags division (Auto Ancillary Division) (Refer Note I-(S))	8.87	-
	303.67	140.25

## 32. FINANCIAL &amp; DERIVATIVE INSTRUMENTS:

(a) Outstanding Foreign exchange forward contracts **EUR 0.84 Lakhs (Sold) - INR 62.05 Lakhs, GBP 1.15 Lakhs (Sold) - INR 105.25 Lakhs** (Previous year **USD 27.52 Lakhs (Sold) - INR 1,404.87 Lakhs, USD 2.5 Lakhs (Bought) - INR 127.93 Lakhs, EUR 7.08 Lakhs (Sold) - INR 493.68 Lakhs**)

(b) Option contract of **Euro Nil**. (Previous year : Euro 11.25 Million)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- (c) The year end foreign currency exposures that have not been hedged by a forward contract/derivative instrument or otherwise are given below:

	Foreign Currency	Equivalent INR (₹ in Lakhs)
Receivable in foreign currency on account of export of Goods:		
	<b>USD 1,885,905*</b>	<b>1,025.73*</b>
	<i>(USD Nil)</i>	<i>(Nil)</i>
	<b>EUR 192,318</b>	<b>104.60</b>
	<i>(EUR Nil)</i>	<i>(Nil)</i>
	<b>GBP 216,898</b>	<b>117.97</b>
	<i>(GBP Nil)</i>	<i>(Nil)</i>
<i>* Proposed to be accumulated in EEFC account and earmarked against USD Loan repayments in 2013-14</i>		
Amount payable in foreign currency on account of import of goods and services:		
	<b>USD 12,400</b>	<b>6.74</b>
	<i>(USD 473)</i>	<i>(0.24)</i>
	<b>EUR Nil</b>	<b>Nil</b>
	<i>(EUR 17,695)</i>	<i>(12.10)</i>
	<b>SGD 129,490</b>	<b>87.57</b>
	<i>(SGD Nil)</i>	<i>(Nil)</i>
Loans Payable	<b>USD 7,357,720</b>	<b>4,001.81</b>
	<i>(USD 10,656,827)</i>	<i>(5,451.66)</i>

**33. DISCLOSURE OF LOANS/ADVANCES TO SUBSIDIARIES, ASSOCIATE COMPANIES ETC. (AS REQUIRED BY CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES)**

	(₹ in Lakhs)	
	Amount Outstanding	Max. Amount Outstanding
I. Subsidiary Companies:		
(1) Afco Industrial and Chemicals Limited	<b>23.18</b>	<b>29.39</b>
	<i>(29.39)</i>	<i>(44.72)</i>
(2) DPI Products & Services Limited	<b>76.12</b>	<b>76.12</b>
	<i>(74.25)</i>	<i>(75.66)</i>
(3) Sea Wind Investments and Trading Company Limited	<b>3.94</b>	<b>3.94</b>
	<i>(17.40)</i>	<i>(17.40)</i>
(4) Naira Holdings Limited	<b>294.62</b>	<b>294.62</b>
	<i>(259.17)</i>	<i>(269.77)</i>
(5) Erstwhile Electromags Automotive Products Private Limited (Refer Note I-(S))	-	-
	<i>(3,647.34)</i>	<i>(4,090.82)</i>
(6) Leila Lands Senderian Berhad	-	-
	<i>(6,009.71)</i>	<i>(6,009.71)</i>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(₹ in Lakhs)	
		Amount	Max. Amount
		Outstanding	Outstanding
II. Associate Companies:			
(1) Lotus Viniyog Private Limited		<b>7.27</b> (7.27)	<b>7.27</b> (7.27)
(2) Inor Medical Products Limited		<b>1,136.45</b> (945.37)	<b>1,190.60</b> (945.37)
	TOTAL	<b>1,541.60</b> <u>(10,989.90)</u>	

## 34 INFORMATION PURSUANT TO PARA 5 (VIII OF GENERAL INSTRUCTIONS FOR PREPARATION OF STATEMENT OF PROFIT AND LOSS)

		(₹ in Lakhs)
(a) Value of Imports calculated on C.I.F. Basis:		
Raw Materials		<b>912.75</b> (2,495.73)
Components and Spare Parts		<b>33.23</b> (27.71)
Capital Goods		<b>798.32</b> (58.98)
Traded Goods – Dental		<b>16.93</b> (32.17)

(Figures in brackets are in respect of the Previous Year).

(b) Expenditure in foreign currencies: (Excluding expenses of foreign branches)		
		(₹ in Lakhs)
Commission on Exports		<b>14.66</b> (12.95)
On account of other matters (Travelling Expenses, Subscription, Professional Services, etc.)		<b>26.91</b> (20.23)
Technical Know-how Fees/Royalty		– (58.89)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(c) Value of Raw Materials, Spare Parts and Components Consumed:

	Value (₹ in Lakhs)	Percentage to total consumption
(i) Raw Materials		
Imported	<b>830.44</b> <i>(2,124.27)</i>	<b>9.95</b> <i>(28.87)</i>
Indigenous	<b>7,511.89</b> <i>(5,235.01)</i>	<b>90.05</b> <i>(71.13)</i>
TOTAL	<b>8,328.05</b> <u><i>(9,695.31)</i></u>	<b>100.00</b> <u><i>(100.00)</i></u>
(ii) Stores and Spare Parts		
Imported	<b>28.69</b> <i>(29.92)</i>	<b>2.46</b> <i>(2.24)</i>
Indigenous	<b>1,136.85</b> <i>(1,303.55)</i>	<b>97.54</b> <i>(97.76)</i>
TOTAL	<b>1,165.54</b> <u><i>(1,333.47)</i></u>	<b>100.00</b> <u><i>(100.00)</i></u>

(Figures in brackets are in respect of the Previous Year).

	No. of non-resident Shareholders	No. of Shares held by them	Aggregate amount of dividends ₹ in Lakhs
(d) Remittances in foreign currencies on account of dividends:			
(i) Dividend for the year ended 31.3.2012	<b>1</b>	<b>11,32,140</b>	<b>79.25</b>
(Dividend for year ended 31.3.2011)	<i>(1)</i>	<i>(11,31,940)</i>	<i>(79.23)</i>
(ii) Except for the above Shareholders, the Corporation has not made any remittance in foreign currency on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident Shareholders.			
(iii) The particulars of non-resident Shareholders and the amount of dividends paid to them are as under:			

	No. of non-resident Shareholders including those under (a) above	No. of Shares held by them	Aggregate amount of dividends ₹ in Lakhs
Dividend for the year ended 31.3.2012	<b>230</b>	<b>12,84,902</b>	<b>89.94</b>
(Dividend for the year ended 31.3.2011)	<i>(219)</i>	<i>(12,71,504)</i>	<i>(89.00)</i>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- (e) Earnings in Foreign Exchange:  
(Excluding income of Foreign Branches).

	(₹ in Lakhs)
(i) Export of Tea, Coffee & Others on F.O.B. basis	<b>4,408.83</b> <i>(3,904.78)</i>
(ii) Export of laminates on F.O.B. basis	– <i>(76.09)</i>
(iii) Export of Precision Springs on F.O.B. basis	– <i>(178.60)</i>
(iv) Export of Dental Products	<b>26.61</b> <i>(44.42)</i>
(v) Export of Auto Ancillary Products on F.O.B. basis	<b>2,740.08</b> <i>(–)</i>
(vi) Dividend	– <i>(113.27)</i>

(Figures in brackets are in respect of the Previous Year).

**35. SEGMENT INFORMATION:****A. Primary Segment Reporting (by Business Segment)****(i) Composition of Business Segments**

The Corporation's business segments based on product lines are as under:

- **Plantation Products**  
Segment produces/trades in Tea, Coffee, Timber, Cardamom and Pepper.
- **Building Products**  
Segment manufactures/trades in Phenolic Laminates (Industrial Laminates including Copper Clad Laminates and Surfacing Laminates).
- **Dental Products**  
Segment manufactures/trades in Health Care/Dental products.
- **Auto Ancillary Products**  
Segment manufactures precision springs, solenoids, switches, valves, slip rings etc. for automobile and other industries.
- **Investments**  
Segment invests in various securities listed as well as unlisted mainly on a long term basis.
- **Weighing Products**  
Segment manufactures/trades in Analytical, Precision Balances and Weighing Scales.
- **Real Estate**  
Segment represents property development.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

ii) Segment Revenues, Results and Other Information

	Continuing Operations						Discontinued Operations			
	Plantation Products	Dental Products	Auto Ancillary Products (Electromags)*	Weighing Products	Investments	Real Estate	Building Products (Sunmica)	Auto Ancillary Products (BCL Springs)**	Total of Reportable Segments	
Sales (Net of excise duty)	<b>11,690.61</b> (11,282.37)	<b>1,804.10</b> (1,564.07)	<b>9,799.63</b> (-)	<b>237.25</b> (235.10)	- (-)	- (-)	- (4,376.22)	- (7,929.70)	<b>23,531.59</b> (25,387.46)	
Other Income	<b>512.83</b> (187.96)	<b>5.55</b> (1.49)	<b>186.71</b> (-)	- (3.85)	<b>297.89</b> (679.49)	- (-)	- (145.75)	- (49.12)	<b>1,002.98</b> (1,067.66)	
Segment Revenues	<b>12,203.44</b> (11,470.33)	<b>1,809.65</b> (1,565.96)	<b>9,986.34</b> (-)	<b>237.25</b> (238.95)	<b>297.89</b> (679.49)	- (-)	- (4,521.97)	- (7,978.82)	<b>24,534.57</b> (26,455.52)	
Segment Results	<b>986.23</b> (995.02)	<b>380.83</b> (374.82)	<b>1,208.43</b> (-)	<b>49.10</b> (48.91)	<b>297.89</b> (679.49)	<b>-13.20</b> (-13.20)	- (224.55)	- (913.33)	<b>2,909.28</b> (3,222.92)	
Segment Assets	<b>14,761.76</b> (11,177.21)	<b>1,068.86</b> (915.46)	<b>7,423.10</b> (-)	<b>344.92</b> (341.43)	<b>16,462.36</b> (26,113.10)	<b>1,987.71</b> (1,911.23)	- (-)	- (-)	<b>42,048.23</b> (40,458.43)	
Segment Liabilities	<b>1,864.68</b> (1,782.43)	<b>164.10</b> (162.22)	<b>1,695.71</b> (-)	<b>40.84</b> (41.33)	- (-)	- (-)	- (-)	- (-)	<b>3,765.33</b> (1,985.98)	
Capital Expenditure (included in segment assets)	<b>1,812.67</b> (691.03)	<b>13.44</b> (2.22)	<b>161.36</b> (-)	- (6.54)	- (-)	- (-)	- (9.29)	- (97.26)	<b>1,987.47</b> (806.34)	
Depreciation/Amortisation	<b>397.37</b> (338.59)	<b>10.94</b> (10.68)	<b>226.00</b> (-)	<b>13.62</b> (13.48)	- (-)	<b>0.30</b> (0.30)	- (167.00)	- (149.68)	<b>648.23</b> (679.73)	

(Figures in brackets are in respect of the previous year.)

\* Erstwhile Electromags Automotive Products Private Limited has been classified as an Auto Ancillary Division under 'Continuing Operations' with effect from 1st April, 2011

\*\*Auto Ancillary Division pertains to BCL Springs, whose operations have been discontinued from 30th November, 2011.

iii) Reconciliation of Reportable Segments with the Financial Statements

	(₹ in Lakhs)					
	Revenues	Results / Net Profits	Assets	Liabilities	Capital Expenditure	Depreciation/ Amortisation
Total of Reportable Segments	<b>24,534.57</b> (26,455.52)	<b>2,909.28</b> (3,222.92)	<b>42,048.23</b> (40,458.43)	<b>3,765.33</b> (1,985.98)	<b>1,987.47</b> (806.34)	<b>648.23</b> (679.73)
Corporate/Unallocated Segment	<b>1,926.58</b> (1,522.46)	<b>382.08*</b> (16,284.94)*	<b>8,066.49</b> (6,710.64)	<b>19,493.70</b> (18,213.85)	<b>48.76</b> (41.05)	<b>38.00</b> (35.83)
Add: Profit of erstwhile EAPL for the year 2011-12		<b>736.72</b> (-)				
Less: Finance cost		<b>- 1,490.07</b> (- 1,852.32)				
Less: Taxes		<b>- 523.71</b> (- 4,006.58)				
Less: Taxes of erstwhile EAPL for the year 2011-12		<b>- 121.20</b> (-)				
As per Financial Statement	<b>26,461.15</b> (27,977.58)	<b>1,893.10</b> (13,648.97)	<b>50,114.72</b> (47,169.07)	<b>23,259.03</b> (20,199.83)	<b>2,036.23</b> (847.39)	<b>686.23</b> (715.56)

(Figures in brackets are in respect of the previous year.)

\* Comprising profit on sale of fixed assets, and management charges recovered.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****B. Secondary segment Reporting (by Geographical Segment)**

	(₹ in Lakhs)		
	Domestic	Exports*	Total
Revenues	<b>18,731.59</b> <i>(23,132.83)</i>	<b>7,729.56</b> <i>(4,844.75)</i>	<b>26,461.15</b> <i>(27,977.58)</i>
Total Assets	<b>48,033.54</b> <i>(46,321.96)</i>	<b>2,081.18</b> <i>(847.09)</i>	<b>50,114.72</b> <i>(47,169.07)</i>
Capital Expenditure	<b>2,032.83</b> <i>(842.56)</i>	<b>3.40</b> <i>(4.83)</i>	<b>2,036.23</b> <i>(847.39)</i>

(Figures in brackets are in respect of the Previous Year).

\*It includes revenues and assets of foreign branches.

**36. RELATED PARTY DISCLOSURES**

Related party disclosures as required by (AS-18) "Related Party Disclosures" are given below:

**(1) Related parties and nature of relationship where control exists****Subsidiaries:**

- (i) Afco Industrial & Chemicals Limited
- (ii) DPI Products & Services Limited
- (iii) Sea Wind Investments & Trading Company Limited
- (iv) Leila Lands Senderian Berhad
- (v) Erstwhile Electromags Automotive Products Private Limited (Refer Note I-(S) )

**Sub-Subsidiaries:**

- (a) Subsidiary of DPI Products & Services Limited:**  
Subham Viniyog Private Limited
- (b) Subsidiaries of Leila Lands Senderian Berhad:**  
Naira Holdings Limited  
Island Horti-Tech Holdings Pte. Limited  
Leila Lands Limited  
Restpoint Investments Limited
- (c) Subsidiaries of Island Horti-Tech Holdings Pte. Limited:**  
Island Landscape & Nursery Pte. Limited  
ILN Investments Pte. Limited  
Innovative Organics Inc.
- (d) Subsidiaries and sub subsidiaries of Leila Lands Limited:**  
ABI Holding Limited  
Britannia Brands Limited  
Associated Biscuits International Limited  
Dowbiggin Enterprises Pte. Limited  
Nacupa Enterprises Pte. Limited  
Spargo Enterprises Pte. Limited  
Valletort Enterprises Pte. Limited  
Bannatyne Enterprises Pte. Limited  
Britannia Industries Limited
- (e) Subsidiaries of Britannia Industries Limited:**  
Boribunder Finance & Investments Private Limited  
Flora Investments Company Private Limited  
Gilt Edge Finance & Investments Private Limited  
Ganges Vally Foods Private Limited  
International Bakery Products Limited  
J. B. Mangharam Foods Private Limited  
Manna Foods Private Limited  
Sunrise Biscuit Company Private Limited  
Britannia and Associates (Mauritius) Private Limited  
Britannia and Associates (Dubai) Private Company Limited  
Al Sallan Food Industries Company SAOG  
Strategic Food International Company LLC

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Strategic Brands Holding Company Limited  
 Britannia Lanka Private Limited  
 Daily Bread Gourmet Foods (India) Private Limited  
 Britannia Dairy Private Limited (formerly known as Britannia New Zealand Foods Private Limited)  
 Britannia Dairy Holdings Private Ltd.  
 Britannia Employees General Welfare Association Private Ltd.  
 Britannia Employees Medical Welfare Association Private Ltd.  
 Britannia Employees Educational Welfare Association Private Ltd.

**(f) Subsidiary of Island Landscape & Nursery Pte. Limited:**

Peninsula Landscape & Nursery Sdn. Bhd.

**(g) Subsidiary of ILN Investments Pte. Limited:**

Saikjaya Holdings Sdn. Bhd.

**(h) Subsidiaries of Restpoint Investments Limited:**

Restpoint International Technology Corporation  
 Island Telesystems Pte. Limited

**(i) Subsidiary of Innovative Organics Inc.:**

Granum Inc.

**(2) Key management personnel:**

Mr. Ashok Panjwani - Managing Director  
 Mr. Ness Wadia – Managing Director

**(3) Other Related parties –**

**(a) Associate Companies:**

Lotus Viniyog Private Limited  
 Inor Medical Products Limited  
 Medical Microtechnology Limited

**(b) Go Airlines (India) Limited**

**(4) The following transactions were carried out with the related parties in the ordinary course of business. Details relating to the parties referred to in items 1 to 3 above:**

(₹ in Lakhs)

(Figures in brackets are in respect of the previous year.)

	Subsidiaries & Sub Subsidiaries	Key Management Personnel	Other Related Parties	Total
<b>Expenses charged by them</b>				
Afco Industrials & Chemicals Limited	<b>25.80</b> (25.62)	- (-)	- (-)	<b>25.80</b> (25.62)
DPI Products & Services Limited	- (2.43)	- (-)	- (-)	- (2.43)
Inor Medical Products Limited	- (-)	- (-)	<b>37.93</b> (35.54)	<b>37.93</b> (35.54)
<b>Expenses charged to them</b>				
Afco Industrials & Chemicals Limited	<b>2.04</b> (0.40)	- (-)	- (-)	<b>2.04</b> (0.40)
Inor Medical Products Limited	- (-)	- (-)	<b>10.30</b> (4.56)	<b>10.30</b> (4.56)
Sea Wind Investments & Trading Company Limited	- (0.13)	- (-)	- (-)	- (0.13)
Erstwhile Electromags Automotive Products Private Limited (Refer Note No. I-(S))	- (4.87)	- (-)	- (-)	- (4.87)
Naira Holdings Limited	<b>44.96</b> (34.12)	- (-)	- (-)	<b>44.96</b> (34.12)
<b>Commission received</b>				
Inor Medical Products Limited	- (-)	- (-)	<b>55.06</b> (60.67)	<b>55.06</b> (60.67)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

(Figures in brackets are in respect of the previous year.)

	Subsidiaries & Sub Subsidiaries	Key Management Personnel	Other Related Parties	Total
<b>Interest received</b>				
Erstwhile Electromags Automotive Products Private Limited (Refer Note No. I-(S))	- (366.00)	- (-)	- (-)	- (366.00)
Inor Medical Products Limited	- (-)	- (-)	113.74 (90.18)	113.74 (90.18)
Naira Holdings Limited	4.27 (-)	- (-)	- (-)	4.27 (-)
Go Airlines Limited	- (-)	- (-)	598.25 (-)	598.25 (-)
<b>Interest on loan given to Directors</b>				
Mr. Ashok Panjwani	- (-)	1.45 (-)	- (-)	1.45 (-)
<b>Dividend received</b>				
Inor Medical Products Limited	- (-)	- (-)	1.44 (1.44)	1.44 (1.44)
<b>Dividend Paid</b>				
Mr. Ness Wadia	- (-)	0.07 (0.07)	- (-)	0.07 (0.07)
<b>Management/Secondment Charges received</b>				
Afco Industrials & Chemicals Limited	- (3.99)	- (-)	- (-)	- (3.99)
Seawind Investments & Trading Company Limited	3.94 (1.87)	- (-)	- (-)	3.94 (1.87)
Erstwhile Electromags Automotive Products Private Limited (Refer Note No. I-(S))	- (468.78)	- (-)	- (-)	- (468.78)
Lotus Viniyog Private Limited	- (-)	- (-)	- (1.87)	- (1.87)
<b>Expenses Recovered</b>				
Inor Medical Products Limited	- (-)	- (-)	65.00 (65.00)	65.00 (65.00)
<b>Management/Secondment Charges paid</b>				
Afco Industrials & Chemicals Limited	2.65 (-)	- (-)	- (-)	2.65 (-)
Naira Holdings Limited	2.06 (-)	- (-)	- (-)	2.06 (-)
<b>Rent recovered</b>				
Afco Industrials & Chemicals Limited	0.14 (0.14)	- (-)	- (-)	0.14 (0.14)
Inor Medical Products Limited	- (-)	- (-)	78.16 (76.73)	78.16 (76.73)
<b>Loan given to Director</b>				
Mr. Ashok Panjwani	- (-)	50.00 (-)	- (-)	50.00 (-)
<b>Advance/Inter Corporate Deposits paid</b>				
Erstwhile Electromags Automotive Products Private Limited (Refer Note No. I-(S))	- (1,054.15)	- (-)	- (-)	- (1,054.15)
Afco Industrials & Chemicals Limited	28.08 (28.08)	- (-)	- (-)	28.08 (28.08)

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

(Figures in brackets are in respect of the previous year.)

	Subsidiaries & Sub Subsidiaries	Key Management Personnel	Other Related Parties	Total
Inor Medical Products Limited	-	-	159.84	159.84
	(-)	(-)	(205.00)	(205.00)
Go Airlines (India) Limited	-	-	9,300.00	9,300.00
	(-)	(-)	(-)	(-)
Afco Industrials & Chemicals Limited	10.00	-	-	10.00
	(13.00)	(-)	(-)	(13.00)
Sea Wind Investments & Trading Company Limited	30.00	-	-	30.00
	(1.73)	(-)	(-)	(1.73)
Erstwhile Electromags Automotive Products Private Limited (Refer Note No. I-(S))	-	-	-	-
	(939.00)	(-)	(-)	(939.00)
Naira Holdings Limited	-	-	-	-
	(34.12)	(-)	(-)	(34.12)
Inor Medical Products Limited	-	-	335.15	335.15
	(-)	(-)	(295.00)	(295.00)
<b>Managerial Remuneration</b>				
Mr. Ashok Panjwani	-	205.39	-	205.39
	(-)	(135.78)	(-)	(135.78)
Mr. Ness Wadia	-	190.03	-	190.03
	(-)	(190.03)	(-)	(190.03)
<b>Outstanding amount payable</b>				
Inor Medical Products Limited	-	-	42.01	42.01
	(-)	(-)	(-)	(-)
Afco Industrials & Chemicals Limited	3.00	-	-	3.00
	(-)	(-)	(-)	(-)
Leila Lands Senderian Berhad	2.10	-	-	2.10
	(-)	(-)	(-)	(-)
DPI Products & Services Limited	1.07	-	-	1.07
	(-)	(-)	(-)	(-)
<b>Unsecured Loan Outstanding</b>				
Sea Wind Investments & Trading Company Limited	30.00	-	-	30.00
	(-)	(-)	(-)	(-)
<b>Outstanding amount receivable</b>				
Afco Industrials & Chemicals Limited	23.18	-	-	23.18
	(29.39)	(-)	(-)	(29.39)
DPI Products & Services Limited	75.05	-	-	75.05
	(74.25)	(-)	(-)	(74.25)
Sea Wind Investments & Trading Company Limited	3.94	-	-	3.94
	(17.40)	(-)	(-)	(17.40)
Erstwhile Electromags Automotive Products Private Limited (Refer Note No. I-(S))	-	-	-	-
	(3,647.34)	(-)	(-)	(3,647.34)
Inor Medical Products Limited	-	-	1,136.45	1,136.45
	(-)	(-)	(945.37)	(945.37)
Lotus Viniyog Private Limited	-	-	7.27	7.27
	(-)	(-)	(7.27)	(7.27)
Naira Holdings Limited	294.62	-	-	294.62
	(259.17)	(-)	(-)	(259.17)
Leila Lands Senderian Berhad	-	-	-	-
	(6,009.71)	(-)	(-)	(6,009.71)
Mr. Ashok Panjwani	-	50.00	-	50.00
	(-)	(-)	(-)	(-)
<b>Investments</b>				
Leila Lands Senderian Berhad	6,396.64	-	-	6,396.64
	(-)	(-)	(-)	(-)
<b>Interest accrued</b>				
Go Airlines Limited	-	-	105.20	105.20
	-	-	(-)	(-)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****37. Employee's Benefit - Disclosure as required under Accounting Standard (AS) 15 (Revised)****DEFINED CONTRIBUTION PLAN**

Contribution to Defined Contribution Plan, recognized as expense for the year are as under

	<b>2012-13</b>	<i>2011-12</i>
Employer's Contribution to Provident Fund*	<b>277.77</b>	<i>243.98</i>
Employer's Contribution to Superannuation Fund	<b>64.06</b>	<i>68.43</i>

\* With regard to the assets of fund and return on investments, the Corporation does not expect any deficiency in foreseeable nature.

**DEFINED BENEFIT PLAN - GRATUITY****I. Reconciliation of Opening and Closing balances of Defined Benefit Obligation**

Liability at the beginning of the year	<b>1,243.58</b>	<i>1,139.58</i>
Add: Taken over from the erstwhile Electromags Automotive Products Pvt. Ltd.	<b>43.09</b>	-
Interest cost	<b>109.33</b>	<i>96.83</i>
Current Service cost	<b>80.70</b>	<i>66.66</i>
Liability transfer in	<b>21.82</b>	-
Benefits paid	<b>(193.18)</b>	<i>(314.80)</i>
Actuarial (gain)/loss on Obligations	<b>580.32</b>	<i>(255.29)</i>
Liability at end of the year	<b>1,885.66</b>	<i>1,243.58</i>

**II. Reconciliation of Opening and Closing balances of Fair Value of Plan Assets**

Fair value of plan assets as at the beginning of the year	<b>1,350.95</b>	<i>1,310.17</i>
Add: Taken over from the erstwhile Electromags Automotive Products Pvt. Ltd.	<b>27.64</b>	-
Expected Returns on Plan Assets	<b>118.61</b>	<i>104.88</i>
Contributions	<b>159.35</b>	<i>227.08</i>
Benefits Paid	<b>(193.18)</b>	<i>(314.80)</i>
Actuarial Gain/(Loss) on Plan Assets	<b>205.32</b>	<i>(23.62)</i>
Fair value of plan assets as at the end of the year	<b>1,668.69</b>	<i>1,350.95</i>

**III. Actual Return on Plan Assets**

Expected Return on Plan Assets	<b>118.61</b>	<i>104.88</i>
Actuarial Gain/(Loss) on Plan Assets	<b>205.32</b>	<i>(23.62)</i>
Actual Return on Plan Assets	<b>323.93</b>	<i>128.50</i>

**IV. Amount recognized in the Balance Sheet**

Liability at the end of the year	<b>1,885.66</b>	<i>1,243.58</i>
Fair value of Plan Assets at the end of the year	<b>1,668.69</b>	<i>1,350.95</i>
Difference	<b>216.97</b>	<i>107.38</i>
Asset/Liability recognised in the balance sheet	<b>216.97</b>	<i>107.38</i>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**V. Expense recognized in the Statement of Profit and Loss**

(₹ in Lakhs)

	<b>2012-13</b>	<i>2011-12</i>
Current Service Cost	<b>80.70</b>	<i>66.66</i>
Interest Cost	<b>109.33</b>	<i>96.83</i>
Expected Return on Plan Assets	<b>(118.61)</b>	<i>(104.88)</i>
Actuarial (Gain)/Loss	<b>375.00</b>	<i>231.68</i>
Expense recognized in the P&L A/c	<b>446.42</b>	<i>290.29</i>

**VI. Investment Details**

Central Government Securities	<b>3.15%</b>	<i>3.50%</i>
PSU Bonds	<b>2.96%</b>	<i>5.26%</i>
Special Deposit Scheme	<b>-</b>	<i>-</i>
State Government Securities	<b>0.20%</b>	<i>0.57%</i>
Property	<b>-</b>	<i>-</i>
Others (Bank Balance)	<b>1.70%</b>	<i>-</i>
Insurer Managed Funds	<b>91.99%</b>	<i>90.67%</i>
Total	<b>100%</b>	<i>100%</i>

**VII. Actuarial assumptions used**

	<b>Indian Assured Ultimate (2006-08)</b>	<i>1994-96 LIC Ultimate</i>
Mortality Table		
Discount rate	<b>8.50%</b>	<i>8.50%</i>
Rate of return on Plan Assets	<b>8.60%</b>	<i>8%</i>
Salary escalation rate	<b>5%</b>	<i>5%</i>

**VIII. Prescribed Contribution for next year**

Prescribed Contribution for next year	261.99	17.22
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**IX. Experience Adjustment**

	<b>31.03.2013</b>	<i>31.03.2012</i>	<i>31.03.2011</i>	<i>31.03.2010</i>	<i>31.03.2009</i>
Fair Value of Plan Assets	<b>1,668.69</b>	<i>1,350.95</i>	<i>1,310.17</i>	<i>1,359.79</i>	<i>1,282.95</i>
Defined Benefit Obligation	<b>1,885.66</b>	<i>1,243.58</i>	<i>1,139.58</i>	<i>1,359.64</i>	<i>1,265.07</i>
Actuarial (Gain)/Loss on Plan Assets	<b>205.32</b>	<i>23.62</i>	<i>(24.31)</i>	<i>54.52</i>	<i>(33.36)</i>
Actuarial (Gain)/Loss on Defined Benefit Obligation	<b>580.32</b>	<i>(255.29)</i>	<i>(251.52)</i>	<i>38.89</i>	<i>223.24</i>

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the Actuary.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Corporation's policy for plan assets management.

**38. Managerial Remuneration paid for the year 2012-2013**

- (1) Remuneration paid to Mr. Ashok Panjwani: ₹ **205.39 Lakhs** (Previous Year ₹ 135.78 Lakhs), as minimum remuneration in terms of approval of shareholders and Schedule XIII of the Companies Act, 1956, subject to the approval of Central Government if and to the extent necessary.

By virtue of Gen Circular 46/2011 dated 14.07.2011 of the Ministry of Corporate Affairs, the remuneration paid to Mr. Ashok Panjwani, although in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 due to inadequacy of profit, does not require any further approval from Central Government since he satisfies both conditions of exemption viz. being a qualified professional director and not having any direct/indirect interest in the capital of the Corporation under the said circular.

- (2) Remuneration paid to Mr. Ness Wadia: ₹ **190.03 lakhs** (Previous Year ₹ 190.03 Lakhs), as minimum remuneration in terms of approval of shareholders and Schedule XIII of the Companies Act, 1956, subject to the approval of Central Government if and to the extent necessary.

In view of inadequacy of profit, the Corporation has made an application to the Central Government for approval of excess remuneration of ₹ 78.99 Lakhs (Previous Year ₹ 107.52 Lakhs), paid to Mr. Ness Wadia, in excess of the limits prescribed by Schedule XIII of the Companies Act, 1956. The application has been made as Mr. Ness Wadia holds direct and indirect interest in the capital of the Corporation, although the condition of holding professional qualification is satisfied under the said circular.

39. Export benefits/Incentives are accounted on accrual basis. Accordingly, on the Balance Sheet date, in respect of Exports made, estimated benefit of ₹ **337.41 Lakhs** (Previous year ₹ 158.57 Lakhs) has been taken into account for the year as incentive on accrual basis under the pass book scheme. Subsequent to that, the Corporation has utilized the said entitlement of ₹ **337.41 Lakhs** (Previous year ₹ 158.57 Lakhs).

**40. Leases:**

Operating Lease:

The Corporation has taken various residential/commercial premises and plant and machinery under operating leases. These lease agreements are normally renewed on expiry. The lease payments recognised in Statement of Profit & Loss is ₹ **52.69 Lakhs** (Previous Year ₹ 208.88 Lakhs).

41. In the earlier years the Corporation took up development of Real Estate in the vacant properties at Pune, Coimbatore and Mumbai; and converted these assets as stock in trade at cost.
42. Provision for contingencies of ₹ **415 Lakhs** (Previous Year ₹ 350 Lakhs) represents a part amount provided for against the contingent liabilities with regards to the disputed demands for excise duties, wages and damages and interest as described in Note 30 on the basis of a fair estimate by the Corporation. The carrying amount at the beginning of the year was ₹ 350 Lakhs and the provision of ₹ 65 Lakhs made during the year is carried forward at the end of the year and neither the amount has been used nor the unused amount reversed during the year under review.
43. On the basis of confirmation obtained from suppliers who have registered under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Corporation the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is ₹ **Nil** (Previous Year ₹ 13.89 Lakhs). Further, no interest during the year has been paid/or is payable/accrued under the terms of the MSMED Act, 2006.
44. By a Postal Ballot held vide notice dated 8th August, 2012 the shareholders of the Corporation approved the sub-division of equity shares. A share of face value of ₹ 10/- each has been sub-divided into 5 equity shares of face value of ₹ 2/- each. The effective date for the sub-division was 9th November, 2012. The disclosure of number of shares in the Particulars of Shareholding and the disclosure of Earnings per share (in compliance with AS-20) for all the reported periods has been arrived at after giving effect to the above sub-division.
45. Figures in respect of current year and those for the previous year have been rounded off to the nearest thousand and are expressed in terms of decimals of Lakhs.

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE BOARD OF DIRECTORS OF THE BOMBAY BURMAH TRADING CORPORATION, LIMITED**

We have audited the attached consolidated balance sheet of The Bombay Burmah Trading Corporation, Limited ('the Company') and its subsidiaries, associates and branches (collectively called 'the BBTCL Group') as at 31 March 2013, the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

#### **Management's responsibility for the consolidated financial statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

Based on our audit and to the best of our information and according to the explanations given to us and on consideration of reports of other auditors on separate financial statements, in our opinion the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the consolidated balance sheet, of the state of affairs of the BBTCL Group as at 31 March 2013;



- b. in the case of the consolidated statement of profit and loss, of the profit of the BBTCL Group for the year ended on that date; and
- c. in the case of the consolidated cash flow statement, of the cash flows of the BBTCL Group for the year ended on that date.

**Other matter**

We did not audit the financial statements and other financial information of certain subsidiaries associates (interests in which have been incorporated in these consolidated financial statements) and branches. These subsidiaries, associates and branches account for 11% of total assets and 7% of total revenues and other income, as shown in these consolidated financial statements. Of the above:

- a. The financial statements and other financial information of some of the subsidiaries, associates and branches incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') have been audited by other auditors duly qualified to act as auditors in those countries and whose reports have been furnished to us. For purposes of preparation of consolidated financial statements, the aforesaid local GAAP financial statements have been restated by the management so that they conform to the generally accepted accounting principles in India. These subsidiaries, associates and branches account for 10% of total assets and 7% of total revenue and other income as shown in these consolidated financial statements. Our opinion on the consolidated financial statements, insofar as it relates to these subsidiaries, associates and branches, is based on the aforesaid audit reports of these other auditors.
- b. The financial statements and other financial information of the remaining subsidiaries, associates and branches have not been subjected to audit either by us or by other auditors, and therefore, unaudited financial statements for the year/period ended 31 March 2013 of these subsidiaries, associates and branches have been furnished to us by the management. These subsidiaries, associates and branches account for only 1% of total assets and nil % of total revenues and other income as shown in these consolidated financial statements, and therefore are not material to the consolidated financial statements, either individually or in aggregate.

For **B S R & Co.**  
*Chartered Accountants*  
Firm's Registration No.: 101248W

**Vijay Bhatt**  
*Partner*  
Membership No.: 036647

Mumbai  
28 May 2013

The Bombay Burmah Trading Corporation, Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Notes	(₹ in Lakhs)	
		As at 31st March, 2013	As at 31st March, 2012
<b>A EQUITY AND LIABILITIES</b>			
SHAREHOLDERS' FUNDS			
Share capital	1	1,396.27	1,396.27
Reserves and surplus	2	113,059.91	107,729.25
		114,456.18	109,125.52
Share application money pending allotment		229.00	—
Capital subsidy	T(iii) & 44	482.00	—
Minority Interest		33,972.24	26,823.42
NON-CURRENT LIABILITIES			
Long-term borrowings	3	42,160.81	59,196.18
Deferred tax liabilities (net)	4	1,591.58	1,141.09
Other long-term liabilities	5	3,890.23	3,909.62
Long-term provisions	6	14,551.11	12,465.40
		62,193.73	76,712.29
CURRENT LIABILITIES			
Short-term borrowings	7	47,028.55	20,696.11
Trade payables	8	42,275.05	41,406.22
Other current liabilities	9	34,031.24	65,522.16
Short-term provisions	10	7,593.70	2,595.90
		130,928.54	130,220.39
		342,261.69	342,881.62
<b>B ASSETS</b>			
NON-CURRENT ASSETS			
Fixed assets			
– Tangible assets	11	74,054.86	63,084.12
– Intangible assets	11	1,445.55	902.17
– Capital work-in-progress	11	15,243.02	11,176.52
		90,743.43	75,162.81
Goodwill on Consolidation		100,326.01	99,688.67
Non-current investments	12	15,005.13	15,568.48
Long-term loans and advances	13	10,234.18	9,195.62
Other Non-current assets	14	1,235.26	1,228.41
		126,800.58	125,664.77
CURRENT ASSETS			
Current investments	15	18,253.21	34,634.32
Inventories	16	47,736.23	50,972.81
Trade receivables	17	17,668.72	16,582.93
Cash and bank balance	18	19,451.53	21,514.91
Short-term loans and advances	19	21,138.77	17,916.81
Other current assets	20	469.22	415.85
		124,717.68	142,037.63
		342,261.69	342,881.62
<b>Significant accounting policies</b>	<b>I</b>		

The notes referred to above form an integral part of the Consolidated Balance Sheet

As per our attached report of even date.

For B S R & Co.

Chartered Accountants

Firm's Registration No. 101248W

Vijay Bhatt

Partner

Membership No. 036647

Mumbai,

Dated : 28th May, 2013

For and on behalf of the Board

NUSLI N. WADIA *Chairman*

A. K. HIRJEE *Vice Chairman*

M. L. APTE *Director*

D. E. UDWADIA *Director*

JEH WADIA *Director*

VINITA BALI *Director*

A. PANJWANI *Managing Director*

NESS WADIA *Managing Director*

N. H. DATANWALA *Vice President Corporate & Co. Secretary*

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

		(₹ in Lakhs)	
	Notes	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>INCOME</b>			
Revenue from operations (gross)	21	661,331.05	600,286.88
Less: Excise duty		9,455.19	7,527.37
Revenue from operations (net)		651,875.86	592,759.51
Other income	22	7,576.64	7,653.37
		<u>659,452.50</u>	<u>600,412.88</u>
<b>EXPENDITURE</b>			
Cost of materials consumed	23	345,306.65	329,588.32
Purchases of stock-in-trade	23	57,510.28	45,040.87
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(4,022.38)	(1,913.29)
Employee benefits	24	31,696.05	29,987.17
Finance costs	25	7,110.88	7,771.17
Depreciation and amortisation		8,322.66	7,361.76
Less: Transfer from Revaluation Reserve		(6.59)	(8.93)
Other expenses	26	177,220.68	154,790.80
Cost relating to Real estate under development	27	12.90	12.90
		<u>623,151.13</u>	<u>572,630.77</u>
<b>Profit before exceptional items and tax</b>		<b>36,301.37</b>	<b>27,782.11</b>
<b>Exceptional items</b>			
Profit on sale of Undertaking	31	—	16,470.58
<b>Profit/(Loss) after exceptional items and before tax</b>		<b>36,301.37</b>	<b>44,252.69</b>
<b>Profit from continuing operations before minority interest &amp; tax</b>			
Current tax expense for current year		10,784.59	11,343.59
(Less): MAT credit		(689.00)	(297.96)
Current tax expense relating to prior years		(267.00)	72.64
Deferred tax		463.05	479.33
		<u>10,291.64</u>	<u>11,597.60</u>
<b>Profit from continuing operations after tax &amp; before minority interest</b>		<b>26,009.73</b>	<b>32,260.79</b>
<b>Share of Loss from Associates</b>		<b>(38.52)</b>	<b>(8.00)</b>
<b>Minority Interest</b>		<b>(12,744.00)</b>	<b>(9,937.81)</b>
<b>Profit from continuing operations after minority interest and tax</b>		<b>13,227.21</b>	<b>22,314.98</b>
<b>Profit from discontinued operations before tax</b>			
Current tax expense for current year	32	—	394.30
Deferred tax		—	30.45
		<u>—</u>	<u>(306.49)</u>
<b>Profit from discontinued operations after tax</b>		<b>—</b>	<b>700.79</b>
<b>Profit after tax</b>		<b>13,227.21</b>	<b>23,015.77</b>
<b>Earnings per Share of Face Value of ₹ 2/- each</b>	34		
Basic and Diluted in ₹			
<b>Continuing Operations</b>		<b>18.96</b>	<b>31.98</b>
<b>Total Operations</b>		<b>18.96</b>	<b>32.99</b>
<b>Significant accounting policies</b>	I		

The notes referred to above form an integral part of the Consolidated Statement of Profit and Loss

As per our attached report of even date.

For B S R & Co.

Chartered Accountants

Firm's Registration No. 101248W

Vijay Bhatt

Partner

Membership No. 036647

Mumbai,

Dated : 28th May, 2013

For and on behalf of the Board

NUSLI N. WADIA *Chairman*  
A. K. HIRJEE *Vice Chairman*  
M. L. APTE *Director*  
D. E. UDWADIA *Director*  
JEH WADIA *Director*  
VINITA BALI *Director*

A. PANJWANI *Managing Director*  
NESS WADIA *Managing Director*  
N. H. DATANWALA *Vice President Corporate & Co. Secretary*

**CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET  
FOR YEAR ENDED 31ST MARCH, 2013**

	(₹ in Lakhs)	
	2012-13	2011-12
<b>A. Cash flows from operating activities:</b>		
Profit before Taxation	36,301.37	44,252.69
Adjustments for :		
Depreciation	8,316.07	7,352.83
Currency Alignment on Depreciation	—	261.27
Obsolete inventories written off	—	47.00
Share of (Loss)/Profit of Associates	(38.52)	(8.00)
(Profit) on Sale of Fixed Assets (net)	(823.54)	(1,595.90)
(Profit) on Sale of Long Term/ Current Investments	(1,617.32)	(922.00)
(Profit) on Sale of Undertaking	—	(16,470.58)
Advances/Doubtful Debts written off	76.80	102.03
Provision for doubtful debts	1.35	333.12
Provision for contingencies	65.00	225.00
Excess Provision in respect of previous year written back	(198.93)	(881.55)
Interest expense	7,110.88	7,771.17
Interest income	(4,013.62)	(3,532.16)
Dividend income	(461.65)	(362.34)
	<u>8,416.52</u>	<u>(7,680.11)</u>
Operating Profit before working capital changes	44,717.89	36,572.58
Adjustments for:		
(Increase)/Decrease in Sundry Debtors and other receivables	(3,920.93)	(7,557.18)
Decrease/(Increase) in Inventories	3,236.58	(9,908.01)
Increase/(Decrease) in Trade Payables and Provisions	4,636.98	21,141.64
	<u>3,952.63</u>	<u>3,676.45</u>
Cash from operations	48,670.52	40,249.03
Foreign exchange loss on consolidation	(8,376.96)	(5,351.33)
Direct taxes paid (net)	(10,022.99)	(9,023.04)
	<u>(18,399.95)</u>	<u>(14,374.37)</u>
<b>Net cash from operating activities</b>	<b>30,270.57</b>	<b>25,874.66</b>
out of which discontinued operations		1,063.72
<b>B. Cash flows from investing activities:</b>		
Purchase of fixed assets	(23,458.86)	(28,134.23)
Capital Subsidy	499.82	—
Loans & Advances received	70.60	—
Proceeds from sale of fixed assets	1,038.21	2,274.17
Profit on Sale of Undertaking	—	27,821.73
Sale/(Purchase) of Investments (net)	18,561.78	6,634.07
Bank Deposits withdrawn during the year	—	1,840.41
Interest income	4,326.63	3,514.04
Dividend income	3,671.65	362.34
	<u>4,709.83</u>	<u>14,312.53</u>
<b>Net cash from investing activities</b>	<b>4,709.83</b>	<b>14,312.53</b>
out of which discontinued operations		(65.42)

**CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET  
FOR YEAR ENDED 31ST MARCH, 2013 (Contd.)**

(₹ in Lakhs)

	2012-13	2011-12
<b>C. Cash flows from financing activities:</b>		
(Repayment of)/Proceeds from Borrowings (net)	<b>(32,244.22)</b>	<b>(12,331.41)</b>
Proceeds from Share Application Money pending allotment	<b>229.00</b>	—
Proceeds from/(Repayment of) Cash Credit Loans & Advances given	<b>9,717.44</b>	<b>(8,299.10)</b>
	—	<b>(699.43)</b>
Adjustment to Minority Interest (net of dividend paid)	<b>(5,595.18)</b>	<b>(4,266.47)</b>
Interest paid	<b>(7,253.87)</b>	<b>(7,616.81)</b>
Dividend and dividend distribution tax paid	<b>(1,100.01)</b>	<b>(1,747.29)</b>
<b>Net cash used in financing activities</b>	<b>(36,246.84)</b>	<b>(34,960.51)</b>
<i>out of which discontinued operations</i>		<b>(747.55)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(A+B+C) (1,266.44)</b>	<b>5,226.68</b>
Cash and cash equivalents as at the commencement of the year	<b>20,717.97</b>	<b>16,060.38</b>
Cash and cash equivalents as at the end of the year in respect of continuing operations	<b>19,451.53</b>	<b>20,717.97</b>
<b>Net (decrease)/increase</b>	<b>(1,266.44)</b>	<b>4,657.59</b>
Cash and cash equivalents of undertakings transferred, excluded above	—	<b>569.09</b>
<b>Net (decrease)/increase as disclosed above</b>	<b>(1,266.44)</b>	<b>5,226.68</b>
Components of Cash and Cash Equivalents as at	<b>31-03-2013</b>	<b>31-03-2012</b>
Cash on hand	<b>81.94</b>	<b>88.93</b>
Balances with Banks – on Current Account	<b>16,110.80</b>	<b>11,880.17</b>
– on Unpaid Dividend Account	<b>284.06</b>	<b>248.80</b>
– on Unpaid Debenture Interest Account	<b>72.00</b>	<b>76.00</b>
– on Deposit Account	<b>2,320.73</b>	<b>8,424.07</b>
– Unclaimed Debenture Redemption Proceeds	<b>582.00</b>	—
	<b>19,451.53</b>	<b>20,717.97</b>

## Notes:

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting standard (AS-3) "Cash Flow Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (2) Component of Cash and Cash Equivalents exclude bank deposits with maturity of more than 3 months aggregating to ₹ Nil (Previous Year ₹ 796.94 lakhs).
- (3) Figures relating to previous year have been recast where necessary to conform to figures of the current year.

As per our attached report of even date.

For B S R & Co.  
Chartered Accountants  
Firm's Registration No. 101248W

Vijay Bhatt  
Partner  
Membership No. 036647  
Mumbai,  
Dated : 28th May, 2013

A. PANJWANI *Managing Director*  
NESS WADIA *Managing Director*  
N. H. DATANWALA *Vice President Corporate & Co. Secretary*

For and on behalf of the Board

NUSLI N. WADIA *Chairman*  
A. K. HIRJEE *Vice Chairman*  
M. L. APTE *Director*  
D. E. UDWADIA *Director*  
JEH WADIA *Director*  
VINITA BALI *Director*

**I. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

**(a) Principles of Consolidation:**

1. The consolidated financial statements relate to The Bombay Burmah Trading Corporation, Limited ('the Corporation', 'BBTCL') and its subsidiaries and associate companies, which together constitute the Group. The consolidated financial statements have been prepared on the following basis:
  - (i) The financial statements of the Corporation and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all material intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
  - (ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries, is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
  - (iii) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Corporation.
  - (iv) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Corporation's shareholders.
  - (v) In case of associates, where the Corporation directly or indirectly through subsidiaries holds more than 20% of equity, investments are accounted for using equity method in accordance with Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
  - (vi) Accounting for Interest in Joint Ventures: The proportionate share of the Group's interests in joint ventures is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/ transactions to the extent it pertains to the Group as per AS 27 "Financial Reporting of Interest in Joint Ventures".
  - (vii) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
  - (viii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiaries when they are used in preparing the consolidated financial statements that are presented in the same manner as the Corporation's separate financial statements.
2. In case of all the subsidiaries of Leila Lands Senderian Berhad (other than Leila Lands Limited, Mauritius and its subsidiaries), a wholly owned foreign subsidiary of the Corporation, for the purpose of determining goodwill/capital reserve on acquisition, the assets and liabilities of those subsidiaries are measured at their fair values at the date of acquisition of those subsidiaries as against at cost, as prescribed in Accounting Standard (AS-21) "Consolidated Financial Statements".
3. As required by Accounting Standard (AS-23) "Accounting for Investments in Associates on Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006, the carrying amounts of investments in Associates at the beginning of the year have been restated by applying "Equity Method" of accounting from the date of acquisition of the associates and corresponding adjustments have been made to retained earnings at the beginning of the year after eliminating unrealised profits, if any.
4. The accounts of the Indian subsidiaries have been prepared in compliance with the Accounting Standards referred to in Section 211(3C), other accounting pronouncement and other requirements of the Companies Act, 1956 and those of the foreign subsidiaries have been prepared in compliance with the local laws and applicable Accounting Standards. Therefore, the consolidated financial statements may not be strictly in compliance with Indian GAAP.

- (b) The list of the subsidiaries of the Corporation (Group) included in the consolidation and the Group's holding therein are as under:

<u>Name of Subsidiary</u>	<u>Country of Incorporation</u>	<b>Current Year Percentage Holding- Share</b>	<i>Previous Year Percentage Holding- Share</i>
Afco Industrial & Chemicals Limited.	India	<b>100%</b>	<i>100%</i>
DPI Products & Services Limited.	India	<b>100%</b>	<i>100%</i>
Sea Wind Investments & Trading Company Limited.	India	<b>100%</b>	<i>100%</i>
Electromags Automotive Products Private Limited (Upto 3rd September, 2012) (Refer Note T)	India	—	<i>100%</i>
Leila Lands Senderian Berhad	Malaysia	<b>100%</b>	<i>100%</i>
<u>Sub-Subsidiaries:</u>			
<u>Subsidiary of DPI Products &amp; Services Limited:</u>			
Subham Viniyog Private Limited	India	<b>100%</b>	<i>100%</i>
<u>Subsidiaries of Leila Lands Senderian Berhad:</u>			
Naira Holdings Limited	The British Virgin Islands	<b>100%</b>	<i>100%</i>
Island Horti-Tech Holdings Pte. Limited	Singapore	<b>100%</b>	<i>100%</i>
Leila Lands Limited	Mauritius	<b>100%</b>	<i>100%</i>
Restpoint Investments Limited	The British Virgin Islands	<b>100%</b>	<i>100%</i>
<u>Subsidiaries of Island Horti-Tech Holdings Pte. Limited:</u>			
Island Landscape & Nursery Pte. Limited	Singapore	<b>100%</b>	<i>100%</i>
ILN Investments Pte. Limited	Singapore	<b>100%</b>	<i>100%</i>
Innovative Organics Inc.	USA	<b>55.45%</b>	<i>54.86%</i>
<u>Subsidiaries of Leila Lands Limited:</u>			
Britannia Brands Limited (BBL UK)	United Kingdom	<b>100%</b>	<i>100%</i>
ABI Holding Limited	United Kingdom	<b>100%</b>	<i>100%</i>
Associated Biscuits International Limited (ABIL, UK)	United Kingdom	<b>100%</b>	<i>100%</i>
Dowbiggin Enterprises Pte. Limited	Singapore	<b>100%</b>	<i>100%</i>
Nacupa Enterprises Pte. Limited	Singapore	<b>100%</b>	<i>100%</i>
Spargo Enterprises Pte. Limited	Singapore	<b>100%</b>	<i>100%</i>
Valletort Enterprises Pte. Limited	Singapore	<b>100%</b>	<i>100%</i>
Bannatyne Enterprises Pte. Limited	Singapore	<b>100%</b>	<i>100%</i>
Britannia Industries Limited (BIL)	India	<b>50.96%</b>	<i>50.96%</i>
<u>Subsidiary of Restpoint Investments Limited:</u>			
Restpoint International Technology Corporation	The British Virgin Islands	<b>100%</b>	<i>100%</i>
<u>Subsidiary of Island Landscape &amp; Nursery Pte. Limited:</u>			
Peninsula Landscape & Nursery Sdn. Bhd.	Malaysia	<b>100%</b>	<i>100%</i>
<u>Subsidiary of ILN Investments Pte. Limited:</u>			
Saikjaya Holdings Sdn. Bhd.	Malaysia	<b>100%</b>	<i>100%</i>
<u>Subsidiary of Innovative Organics Inc.:</u>			
Granum Inc.	USA	<b>52.12%</b>	<i>52.12%</i>
<u>Subsidiaries of Britannia Industries Limited (BIL):</u>			
Boribunder Finance & Investments Private Limited	India	<b>100%</b>	<i>100%</i>
Flora Investments Company Private Limited	India	<b>100%</b>	<i>100%</i>

# The Bombay Burmah Trading Corporation, Limited

<u>Name of Subsidiary</u>	<u>Country of Incorporation</u>	<u>Current Year Percentage Holding-Share</u>	<u>Previous Year Percentage Holding-Share</u>
Gilt Edge Finance & Investments Private Limited	India	100%	100%
Ganges Vally Foods Private Limited	India	51%	51%
International Bakery Products Limited	India	100%	100%
J. B. Mangharam Foods Private Limited	India	100%	100%
Manna Foods Private Limited	India	100%	100%
Sunrise Biscuit Company Private Limited	India	99.16%	98.88%
Britannia and Associates (Mauritius) Private Limited	Mauritius	100%	100%
Britannia and Associates (Dubai) Private Company Limited	Dubai, UAE	100%	100%
Al Sallan Food Industries Company SAOG	Oman	65.46%	65.46%
Strategic Food International Company LLC	Dubai, UAE	100%	100%
Strategic Brands Holding Company Limited	Dubai, UAE	100%	100%
Daily Bread Gourmet Foods (India) Private Limited	India	100%	100%
Britannia Dairy Private Limited	India	100%	100%
Britannia Dairy Holdings Private Limited	Mauritius	100%	100%

(c) Associates:

(a) The list of the associates of the Group which are included in the consolidation and the Group's holdings therein are as under:

<u>Name of the Associate</u>	<u>Principal Activities</u>	<u>Country of Incorporation</u>	<u>Current Year Percentage Holding-Share</u>	<u>Previous Year Percentage Holding-Share</u>
Roshnara Investments & Trading Company Private Limited	Investments	India	50%	50%
Lima Investments & Trading Company Private Limited	Investments	India	50%	50%
Cincinnati Investments & Trading Company Private Limited	Investments	India	50%	50%
Lotus Viniyog Private Limited	Investments	India	50%	50%
Shadhak Investments & Trading Private Limited	Investments	India	50%	50%
MSIL Investments Private Limited	Investments	India	50%	50%
Inor Medical Products Limited	Orthopaedic implants and instruments	India	20%	20%
Medical Microtechnology Limited	Ophthalmic instruments	India	50%	50%
Appear Dream Limited	Trademark investment	United Kingdom	50%	50%
Ink (Clothing) Limited (UK)	Clothing Design and Wholesale	United Kingdom	22%	22%
Klassik Foods Private Limited	Biscuit manufacture	India	26.02%	26.02%
Nalanda Biscuits Company Limited	Biscuit manufacture	India	35%	35%



- (b) The following Associate Companies & Firms are excluded from consolidation as they are not significant:

<u>Name of the Company</u>	<u>Relationship</u>	<u>Country of Incorporation</u>
<u>Associates of BIL Group</u>		
— Britannia Sports (partnership firm)	Partnership firm where control exists	India
— Vasna Agrex and Herbs Private Limited	Associate	India
— Snacko Bisc Private Limited	Associate	India

- (c) The following companies of the BIL Group, limited by guarantee, are also considered for consolidation:

- (i) Britannia Employees General Welfare Association Private Limited
- (ii) Britannia Employees Employee Welfare Association Private Limited
- (iii) Britannia Employees Educational Welfare Association Private Limited

(d) **Significant Accounting Policies:**

A. Basis of Accounting:

The consolidated financial statements are prepared under the historical cost convention, on the accrual basis of accounting to comply in all material aspects with the applicable accounting principles in India, the mandatory Accounting Standards prescribed by the Companies (Accounting Standard), Rules 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Securities and Exchange Board of India (SEBI).

The preparation of financial statements in conformity with GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference between actual results and estimates are recognised in the period in which the results are known/materialise.

The financial statements of Britannia and Associates (Dubai) Private Co. Limited, Britannia Dairy Holdings Private Limited, Klassik Foods Private Limited and Nalanda Biscuits Company Limited have been incorporated in the consolidated financial statements of Britannia Industries Limited based on unaudited financial statements.

B. Depreciation:

- (i) BBTCL and its subsidiaries have adopted the straight line method of depreciation for all its tangible fixed assets except assets other than plant and machinery of Afco Industrial & Chemicals Limited and DPI Products & Services Limited (formerly known as Dental Products of India Limited) which are depreciated under the written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956. As regards the Assets depreciated on straight-line basis the depreciation rates are equal to or higher than those prescribed under Schedule XIV to the Companies Act, 1956 based on the management's estimate of useful lives of these assets. The rates of depreciation that are different from Schedule XIV rates are as follows:

<u>Asset Type</u>	<u>Depreciation Rates</u>
Factory Building	5-10%
Non-Factory Building	2-12.5%
Motor Vehicles	20-25%
Office furniture, Nursery plant and equipments	10-33.33%
Plant and Machinery	8.33-20%
Mature Plantations	6.25%

- (ii) Cost of Leasehold Land is amortised over the period of lease.
- (iii) Assets costing less than ₹ 5000 are fully depreciated in the year of purchase.
- (iv) Auto ancillary division (erstwhile Electromags Automotive Products Private Limited) carries out at every year end, technical evaluation of the moulds and dies for revising the economic useful life/usability of the assets and based on which, it writes down the moulds and dies which are not usable due to change in models, customer order etc.

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- (v) In case of BIL and its subsidiaries (the BIL Group), depreciation in respect of all the assets is provided on straight line method. The rates of depreciation prescribed in Schedule XIV to the Act are considered as minimum rates. If the Management's estimate of the useful life of a fixed asset at the time of the acquisition of the asset or of the remaining useful life on a subsequent review is shorter than envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the Management's estimate of the useful life/remaining useful life. Pursuant to this policy vehicles acquired on finance lease are depreciated over a period of 5 years.

Vehicles acquired on finance lease are depreciated over a period of 5 years.

Assets costing individually upto ₹ 5000 are fully depreciated in the year of addition.

Leasehold land is amortised over the period of primary lease.

Tangible Assets:

Expected range of useful life of assets of the BIL Group is as mentioned below:

Building on freehold land: 20 - 30 years,

Plant and machinery: 10 - 30 years,

Data processing equipments: 4 - 6 years and

Furniture and fixtures: 4 - 16 years.

## C. Valuation of Tangible Fixed Assets:

- (i) Fixed Assets are valued at cost of acquisition or construction. They are stated at historical costs or other amounts substituted for historical costs (vide note (ii) below). In respect of new projects pre-operative expenses including financing costs attributable to the acquisition/construction of fixed assets (net of income during trial run) upto the date of commencement of commercial production is included in cost.
- (ii) The Plant and Machinery of Sunmica Division, Electronics Division and South India Branches (Plantations) as on 30th September, 1985 other than additions during that year were revalued on the basis of the then present worth as per valuation made by the external valuers and are stated at revalued amounts. The resultant increase was credited to Revaluation Reserve.
- (iii) Expenditure in respect of new crops including cost of development is capitalised until the year of maturity of the Plantation.
- (iv) Nursery planting expenditure represents cost of plants that are used solely for propagation purposes and are not intended for resale. Cost comprises purchase cost, labour and attributable overheads. Initial nursery planting expenditure is capitalised as a base stock and accounted for on replacement basis.
- (v) Fixed Assets held by non-integral foreign branches are stated at cost by converting at the closing rate of exchange at the balance sheet date.
- (vi) In the case of the BIL Group, tangible assets are stated at their cost of acquisition or construction less accumulated depreciation. Cost includes inward freight, duties, taxes and expenses incidental to acquisition and installation or construction, net of refundable duties, levies and taxes where applicable. The cost of fixed assets not ready for their intended use before such date, are disclosed as capital work-in-progress.

## D. Intangible Assets:

Intangible assets are recognised as per the criteria specified in Accounting Standard (AS 26) "Intangible Assets" as notified under the Companies (Accounting Standards) Rules, 2006 and amortized as follows:

- (i) Technical Know How Fees:

Technical know how fees for new product development is amortised over the period not exceeding five years, of agreement with supplier of technology.

- (ii) Franchisee fees:

Franchisee fees is amortised over the period not exceeding ten years, of agreement with Franchisor.

- (iii) Goodwill:

Goodwill represents the excess of costs of business acquired over the fair market value of net tangible and identifiable intangible assets.

Goodwill is amortised proportionately over the period not exceeding five years.

Goodwill arising on consolidation represents the excess of cost to the Group of its investment in a subsidiary company over the Group's portion of net worth of the subsidiary.

- (iv) Tenancy rights in respect of residential flat has been amortised over the period of agreement.
- (v) Computer Software:  
In respect of auto ancillary division (erstwhile Electromags Automotive Products Private Limited), ERP related costs are amortised over a period of 3 years. For other divisions, computer software costs are amortised over the period not exceeding ten years based on the management's estimate of its useful life.
- (vi) In the case of BIL Group, Intangible assets are stated at cost of acquisition less accumulated amortisation. Goodwill arising on consolidation represents the excess of cost to the Group of its investment in a subsidiary company over the Group's portion of net worth of the subsidiary, and is net of Capital Reserve.

The expected useful life of assets for amortization is as mentioned below:

Know-how: 3 years

Marketing Infrastructure: 3 years

Non-compete Rights: 2 years

Computer software: 6 years

Goodwill arising on consolidation is evaluated for impairment periodically. (Also refer note (E.) below)

**E. Impairment of Assets:**

In the case of BBTCL Group, Management evaluates at regular intervals, using external and internal sources whether there is an impairment of any asset. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its net realisable value on eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net realisable value or present value as determined.

The BIL Group assesses at each balance sheet date whether there is any indication that an asset, including intangible, may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

**F. Employee Benefits:**

In the case of BBTCL Group,

**(a) Short term employee benefits:**

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

**(b) Post-employment benefits:**

**(i) Provident and Family Pension Fund**

The eligible employees of the Corporation are entitled to receive post employment benefits in respect of provident and family pension fund, in which the Corporation make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). Employees contribute a minimum of 12%, the excess being voluntary contribution.

The contributions are made to the provident fund managed by the trust set up by the Corporation or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred. The schemes are considered as defined contribution plan.

(ii) Superannuation

The eligible employees of the Corporation are entitled to receive post employment benefits in respect of superannuation fund in which the Corporation makes annual contribution at a specified percentage of the employees' eligible salary. The contributions are made to the ICICI Prudential Life Insurance Co. Ltd. Superannuation is classified as Defined Contribution Plan as the Corporation has no further obligations beyond making the contribution. The Corporation's contribution to Defined Contribution Plan is charged to statement of profit and loss as incurred.

(iii) Gratuity

The Corporation has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees.

The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Corporation accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

(c) Other Long-Term Employee Benefits – Compensated Absences:

The Corporation provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Corporation makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

In case of the BIL Group,

I. Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

II. Post-Employment Benefits

- a. Contributions to defined contribution schemes such as Provident Fund, Pension Fund etc., are recognised as expenses in the period in which the employee renders the related service. In respect of certain employees, Provident Fund contributions are made to a Trust managed by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date.
- b. The Britannia Industries Limited Covenanted Staff Pension Fund Trust (BIL-CSPF) and Britannia Industries Limited Officers' Pension Fund Trust (BILOPF) were established by the Company to administer pension schemes for its employees. These trusts are managed by the trustees. The Pension scheme is applicable to all the managers and officers of the Company who have been employed up to the date of 15 September 2005 and any manager or officer employed after that date, if he has opted for the membership of the scheme. The Company makes a contribution of 15% of salary in respect of the members each month to the trusts. On retirement, subject to the vesting conditions as per the rules of the trust, the member becomes eligible for pension, which is paid from annuity purchased in the name of the member by the trusts.
- c. In case of Al Sallan Food Industries Co. SAOC, the provision for employees' terminal benefits is based upon the liability accrued in accordance with the terms of employment of the Company's employees at the statement of financial position date, having regard to the requirements of the Oman Labour Law, 2003 and the Social Security Law, 1991.

- d. In case of Strategic Food International Co. LLC, another subsidiary of BIL, provision for staff terminal benefits is calculated in accordance with the UAE Federal Labour Law and is based on the liability that would arise if employment of all Company's staff were terminated on the balance sheet date. This accounting policy difference from group's accounting policy as mentioned above does not have a material impact on the financial statements.
- e. Other Long Term Employee Benefits:  
All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation carried out at each balance sheet date. Provision for long term compensated absences is based on actuarial valuation carried out as at 1 January every year.
- f. Voluntary retirement scheme benefits:  
Voluntary retirement scheme benefits are recognised as an expense in the year they are incurred.

H. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

In the case of the BIL Group,

A provision is recognised when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. When the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset only when reimbursement is virtually certain.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

I. Valuation of Inventories:

In the case of BBTCL Group,

- (i) Stores and spare parts are valued at lower of cost or net realisable value. Cost is calculated on weighted average basis, except in the case of Sunmica Division, where it is on First in First out basis.
- (ii) Raw materials are valued at lower of cost or net realisable value. The cost includes purchase price as well as incidental expenses and is calculated on weighted average, except in the case of Sunmica Division, where it is on First in First out basis.
- (iii) Tea stock is valued at cost or net realizable value whichever is lower and inclusive of cess on excise duty. Timber, coffee, pepper and cardamom in stock are valued at since realized/contracted rates or realizable value.
- (iv) Work-in-progress is valued at cost or net realisable value whichever is lower. Cost is arrived on the basis of absorption costing.
- (v) Manufactured finished goods of are valued at cost or net realisable value whichever is lower. Cost is determined on the basis of absorption costing including excise duty paid/ provided on packed finished goods.
- (vi) Traded Finished goods of Weighing Products Division, and Dental Products Division are valued at cost or net realisable value whichever is lower.
- (vii) Real Estate under development comprises of Freehold/Leasehold Land and Buildings at cost, converted from Fixed Assets into Stock-in –Trade and expenses related/attribution to

the development/construction of the said properties. The same is valued at lower of cost or net realizable value.

- (viii) Nursery plants are stated at cost, which consists of plant cost, direct labour and its attributable overheads.
- (ix) Landscape projects in progress are valued at cost which consists of direct materials, labour and attributable overheads.

In the case of BIL Group, Inventories are valued at the lower of cost (including prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials, packing materials and stores and spares are valued at cost computed on monthly moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Materials-in-process is valued at input material cost plus conversion cost as applicable.

Finished goods are valued at lower of net realizable value and prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition.

J. Foreign Currency Transactions:

(i) Foreign Branches: (Non-integral operations)

- (a) All assets and liabilities, both monetary and non-monetary are translated at the closing rate;
- (b) Income and expense items are translated at the average rate prevailing during the year; and
- (c) All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the branch.

(ii) Other Transactions:

(a) Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) Exchange Differences:

The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. The difference between year-end conversion rate and rate on the date of contract is recognized as exchange difference. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

In the case of BIL,

- (a) Transactions in foreign currency are recorded at exchange rates prevailing on the respective dates of the relevant transactions. Monetary assets and liabilities denominated in foreign currency are restated at exchange rates prevailing at the balance sheet date. The gains or losses resulting from such transactions are adjusted to the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value/net realisable value are translated at the exchange rate prevalent at the date when the fair value/net realisable

value was determined. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

- (b) The Group uses foreign exchange forward contracts to cover its exposure towards movements in foreign exchange rates.
- (c) The Group does not use the foreign exchange forward contract for trading or speculative purposes.
- (d) Premium or discount arising at the inception of forward contracts against the underlying assets is amortised as expense or income over the life of contract. Exchange differences on forward contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rates change.

**K. Export Benefits/Incentives:**

Export benefits/incentives in respect of import duty benefits under DEPB scheme are accounted on accrual basis on the basis of exports made under DEPB scheme.

**L. Revenue Recognition:**

In the case of BBTCL:

- (i) Revenue in respect of Insurance/other claims, Interest etc., is recognised only when it is reasonably certain that the ultimate collection will be made.
- (ii) Sale of products is recognised when the risks and rewards of ownership are passed on to the customers and no significant uncertainty as to its measurability and collectability exists.
- (iii) Sale of timber is accounted based on sale agreement/sale in auction.
- (iv) Sale of pepper is accounted based on confirmed contract of sale.
- (v) Dividend income is accounted when the right to receive payment is established and known. Interest income is recognised on the time proportion basis.

In the case of the BIL Group:

- (i) Revenue from sale of goods (including sale of scrap) is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax and net of trade discounts and sales returns. Sales are presented both gross and net of excise duty.
- (ii) Income from royalty and services is accounted for based on contractual agreements.
- (iii) Interest on investments is booked on a time-proportion basis taking into account amounts invested and rate of interest.
- (iv) Dividend income is accounted for in the year in which the right to receive the same is established.

**M. Borrowing Cost:**

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and all other borrowing costs are recognised as an expense in the period in which they are incurred.

**N. Segment Accounting Policies:**

(a) Segment assets and liabilities:

All Segment assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities do not include inter-corporate deposits, share capital, reserves and surplus, borrowings, and income tax (both current and deferred).

(b) Segment revenue and expenses:

Segment revenue and expenses are directly attributable to segment. It does not include interest income on inter-corporate deposits, interest expense and income tax.

**O. Financial Derivatives and Commodity Hedging transactions:**

Outstanding derivative contracts are not marked to market at each balance sheet date. The Corporation assesses the foreseeable losses in respect of such contracts and provision is made for such estimated losses, wherever necessary. Realized gains and losses on such contracts and

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interest costs in foreign currencies are accounted for at the time of settlement of the underlying transactions.

## P. Derivative contracts:

In the case of BIL Group, based on the principle of prudence as provided in Accounting Standard 1 - "Disclosure of accounting policies", the Group assesses losses, if any, by marking to market all its outstanding derivative contracts [other than those accounted under Accounting Standard 11 - "Effects of changes in foreign exchange rates" (Refer point (n) above)] at the balance sheet date and provides for such losses. The net gain, if any, based on the said evaluation is not accounted for in line with the Institute of Chartered Accountants of India notification issued in March 2008 in relation to such transactions.

## Q. Taxes on Income:

Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – "Accounting for Taxes on Income", as notified under the Companies (Accounting Standards) Rules, 2006. Income Tax comprises both current and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Provision for Fringe Benefits Tax is made in accordance with Chapter XII-H of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.

In the case of BIL group, Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Deferred tax in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period is recognised in the year in which the timing differences originate. For this purpose the timing differences, which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets/liabilities are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

The Group offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

## R. Leases:

(a) Lease transactions entered into prior to 1st April, 2002:

Lease rentals in respect of assets acquired under lease are charged to Statement of Profit and Loss.



- (b) Lease transactions entered into on or after 1st April, 2002:
- (i) Assets acquired under lease where the Corporation has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
  - (ii) Assets acquired on leases where significant portions of the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

In the case of the BIL Group,

Assets acquired under lease where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of lease at lower of the fair value and present value of minimum lease payments. Assets taken on finance lease are depreciated over its estimated useful life or the lease term whichever is lower.

Assets acquired under lease where the significant portion of risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged to the statement of profit and loss on accrual basis.

S. Investments:

- (i) Investments in Subsidiaries have been accounted as per Accounting Standard (AS-21) "Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (ii) Investments in Associates have been accounted as per Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (iii) Long term Investments other than investments in subsidiaries and associates as stated above are shown at cost. However, when there is a decline, other than temporary, in the value of a long-term investment, the carrying amount is reduced to recognise the decline.
- (iv) Investments made by non-integral foreign branches are stated at cost by converting at the closing rate of exchange at the balance sheet date.
- (v) Current investments are valued at cost or market/fair value whichever is lower, for each investment individually.
- (vi) Premium/discount on purchase of bonds is amortised in equal annual installments over the life of the bond.
- (vii) A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

T. In the case of BIL group:

- (i) Trade receivables and loans and advances:  
Sundry debtors and loans and advances are stated after making adequate provision for doubtful debts and advances.
- (ii) Employee share based payments:  
The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.
- (iii) Capital subsidy:  
Capital subsidy related to depreciable fixed assets is treated as deferred income and recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.
- (iv) Government grants related to revenue:  
Government grants related to revenue are recognised in the statement of profit and loss on a systematic basis over the periods to which they relate.

# The Bombay Burmah Trading Corporation, Limited

**U. Amalgamation of BBTCL's wholly owned subsidiary, Electromags Automotive Products Private Limited (EAPL):**

The Scheme of amalgamation ('the Scheme') of Electromags Automotive Products Private Limited ('the Amalgamating Company') with the Corporation was sanctioned by the Hon'ble High Court of Judicature at Madras on 24th August 2012. The Company has filed the certified copy of the Order with Registrar of Companies on 3rd September 2012.

In accordance with the scheme, all assets and liabilities of the Amalgamating Company were transferred to and vested in the Corporation with effect from 1st April 2011 ('The Appointed Date') and recorded by the Company at their book values.

The Scheme has accordingly been given effect to in these financial statements which include the assets and liabilities of the Amalgamating Company with effect from 1st April 2011 and the results of operations for the year ended 31st March 2012.

In terms of the Scheme, the book value of assets and liabilities are required to be adopted as at 1st April 2011.

The details of the assets and liabilities acquired pursuant to the said business transfer and resultant goodwill is ascertained as below:

<b>Particulars</b>	(₹ in Lakhs) Amount
<b>(A) Assets:</b>	
Tangible assets	3,244.71
Intangible assets	18.96
Investments	0.48
Loans and advances	351.10
Inventories	1,067.78
Trade receivables	2,332.55
Cash and bank balance	60.72
	<b>7,076.30</b>
<b>(B) Liabilities:</b>	
Borrowings	4,018.60
Deferred tax liabilities (net)	87.27
Provisions	36.60
Trade payables	1,274.53
Other current liabilities	687.09
	<b>6,104.09</b>
<b>(C) Net Assets Acquired [(A) - (B)]:</b>	<b>972.21</b>
Less: Reserves & Surplus transferred to Amalgamated Company:-	
Revaluation Reserve as on 1st April 2011	462.37
General Reserve	20.00
Profit and Loss	460.13
	<u>942.50</u>
<b>(D) Equity Share Capital</b>	<b>29.70</b>
<b>(E) Investment at cost</b>	<b>534.60</b>
<b>(F) Goodwill [(E) - (D)]</b>	<b>504.90</b>

Further, Profit for the year ended 31st March 2012 amounting to ₹ 736.72 lakhs and tax thereon of ₹ 121.20 lakhs have been taken to the statement of Profit and Loss for the year.

Accordingly these accounts include the accounts of the Amalgamating Company from 1st April 2011 to 31st March 2012. In view of the above, the current year's figures are not comparable with those of the previous years.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2013	As at 31st March, 2012
<b>1. SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
7,50,00,000 Equity shares of ₹ 2/- each (Previous Year 1,50,00,000 of ₹ 10/- each)	1,500.00	1,500.00
	<u>1,500.00</u>	<u>1,500.00</u>
<b>Issued, Subscribed and paid-up Capital</b>		
6,97,71,900 Equity shares of ₹ 2/- each (Previous Year 1,39,54,380 of ₹ 10/- each)	1,395.44	1,395.44
<b>Forfeited shares amount paid-up</b>	0.83	0.83
TOTAL	<u>1,396.27</u>	<u>1,396.27</u>

- (a) The Corporation has only one class of equity share having par value of ₹ 2/- (Previous Year ₹ 10/-) per share.
- (b) Each holder of equity shares is entitled to one vote per share.
- (c) The Corporation declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (d) During the year ended 31st March, 2013, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 3/- for every share of ₹ 2/- each (Previous Year – ₹ 7/- for every share of ₹ 10/- each). The total dividend appropriation for the year ended 31st March, 2013 amounted to ₹ 2,448.89 Lakhs (Previous Year ₹ 1,135.27 lakhs) including corporate dividend tax of ₹ 355.73 Lakhs (Previous Year ₹ 158.46 lakhs).
- (e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) Reconciliation of the shares outstanding at the beginning and at the end of reporting year:

Equity shares	31st March, 2013		31st March, 2012	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	1,39,54,380	13,95.44	1,39,54,380	13,95.44
Add: Issued during the year	—	—	—	—
Outstanding at the end of the year (Refer Note 48)	<u>6,97,71,900</u>	<u>13,95.44</u>	<u>1,39,54,380</u>	<u>13,95.44</u>

- (g) Details of shares held by each shareholder holding more than 5% shares: (Refer Note 48)

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% holding	No. of shares	% holding
1. Archway Investment Co. Ltd.	1,30,38,600	18.69	26,07,720	18.69
2. N. W. Exports Ltd.	98,17,275	14.07	19,63,455	14.07
3. Naperol Investments Ltd.	42,08,400	6.03	841,680	6.03
4. Mr. Nusli N. Wadia	61,41,505	8.80	12,28,301	8.80
5. Wallace Bros. Trading & Industrial Ltd., U.K.	56,60,700	8.11	11,32,140	8.11
	<u>3,88,66,480</u>	<u>55.70</u>	<u>77,73,296</u>	<u>55.70</u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>2. RESERVES AND SURPLUS</b>		
<b>Capital reserve</b>		
As per last Balance sheet	1,841.19	1,841.19
<b>Statutory Reserve Fund</b>		
Opening balance	148.95	148.36
Add: Transfer from Statement of Profit and Loss	0.91	0.59
Closing balance	149.86	148.95
<b>Capital Reserve (On Investment in Subsidiaries)</b>		
Opening balance	572.82	599.00
Previous Year adjustment	—	(17.25)
Less: Revaluation reserve on acquisition of subsidiary shown separately	(453.44)	—
Less: Goodwill on Consolidation	(322.22)	—
Less: Difference between depreciation on Revalued Cost of Freehold Land and Buildings and Original Cost thereof for the year transferred to Statement of Profit and Loss Account	—	(8.93)
Closing balance	(202.84)	572.82
<b>Capital Redemption Reserve</b>		
As per last Balance sheet	201.96	201.96
<b>Revaluation Reserve</b>		
As per last Balance sheet	0.11	0.11
Add: Revaluation Reserve on acquisition	453.44	—
Less: Difference between depreciation on Revalued Cost of Freehold Land and Buildings and Original Cost thereof for the year transferred to Statement of Profit and Loss Account	(6.59)	—
Closing balance	446.96	0.11
Securities premium account		
As per last Balance sheet	3,637.21	3,637.21
Closing balance	3,637.21	3,637.21
<b>General reserve</b>		
Opening balance	33,658.64	31,306.71
Add: Previous year adjustment (BIL)(Refer Note 51)	951.93	—
Add: Transferred from Surplus in Statement of Profit and Loss	1,381.95	2,351.93
Closing balance	35,992.52	33,658.64
<b>Foreign currency translation reserve</b>		
Opening balance	817.96	3,547.28
Less: Effect of foreign exchange rate variations during the year	(6,740.49)	(2,729.32)
Closing balance	(5,922.53)	817.96
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	66,850.41	47,321.84
Add: Profit for the year	13,227.21	23,015.77
Add: Adjustment of EAPL Profits (Refer Note 51)	139.64	—
Add: Dividend adjustment (Refer Note 51)	4,857.00	—
Less: Appropriations		
Proposed Dividend (dividend per share ₹ 3/- (Previous Year – ₹ 7/- per share)	2,093.16	976.81
Corporate Dividend Tax thereon	355.73	158.46
Dividend distribution tax	1,728.00	—
Dividend tax adjustment (Refer Note 51)	1,647.00	—
General reserve adjustment(Refer Note 51)	951.93	—
Transfer to Statutory Reserve Fund	0.91	(0.59)
Transfer to General Reserve	1,381.95	2,352.52
Closing balance	76,915.58	66,850.41
TOTAL	<u>113,059.91</u>	<u>107,729.25</u>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>3. LONG-TERM BORROWINGS</b>		
Term loans		
— From banks – Secured (Refer Note (a) to (d), (f) and (i))	42,075.00	55,605.42
— Unsecured (Refer Note (g) to (h))	—	3,469.00
Loan against vehicles – Secured (Refer Note (e))	85.81	121.76
TOTAL	<u>42,160.81</u>	<u>59,196.18</u>

**Note:**

- (a) Rupee Agri loan from Axis bank of ₹ 10,000 Lakhs, – Current outstanding ₹ 7,800 Lakhs is repayable in 2 annual installments from 1st April 2014 to 1st April 2015 of ₹ 1,500 Lakhs and ₹ 6,300 Lakhs respectively. The loan is secured by exclusive charge over Elkhill Estate. The rate of interest on the loan is ranging from 7.5% to 10%.
- (b) Rupee loan from HDFC bank of ₹ 2,000 Lakhs, - Current outstanding - ₹ 1,000 Lakhs is repayable in 2 equal annual installments of ₹ 500 Lakhs from 1st April 2014 to 31st March 2015. The loan is to be secured by extension of charge of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with Buildings and structures thereon in favour of HDFC Bank. The rate of interest on the loan is ranging from 7.5% to 10.5%.
- (c) FCNR loan from HDFC bank of USD 15.982 Million - Current Outstanding ₹ 2,188.75 Lakhs (USD 4.024 Million) is repayable in an annual installment of ₹ 2,188.75 Lakhs (USD 4.024 Million) on 31st March, 2014. The loan is secured by way of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with Buildings and structures thereon securities for other Term loans / WCDL. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4%.
- (d) FCNR loan from HDFC bank of USD 5.08 Million - Current Outstanding ₹ 828.89 Lakhs (USD 1.524 Million), is repayable in 2 semi-annual installments of ₹ 414.45 Lakhs (USD 0.762 Million), ₹ 414.45 Lakhs (USD 0.762 Million) on 30th June, 2013 and 31st December, 2013 respectively. The loan is secured by way of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with Buildings and structures thereon securities for other Term loans / WCDL. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4%.
- (e) Loan against vehicles are secured by lien on vehicle purchased.
- (f) The interest free soft loan from Government of Oman through Oman Development Bank is repayable in 13 years which starts from 1 August 2006 and ends on 1 August 2018. Loan is secured by first ranking mortgage on all the tangible assets of the Al Sallan Sallan Food Industries Co. SAOC.
- (g) Term loan includes:  
External commercial borrowings of ₹ Nil (*Previous Year: ₹ 2,757 Lakhs*) repayable in 60 months from 19 September 2008 being the date of origination of loan. Rate of interest being 7.1%.
- (h) Loan of ₹ Nil (*Previous Year: ₹ 712 Lakhs*) availed by Britannia and Associates (Mauritius) Private Limited to fund its acquisition and support working capital requirement of Strategic Food International Co. LLC, Dubai, Strategic Brands Holding Limited and Al Sallan Food Industries Co. SAOC. The term loan is repayable in 16 equal quarterly instalments commencing at the end of three years from the last drawdown which was 23rd March, 2007. The loan is secured by an irrevocable and unconditional corporate guarantee from Britannia Industries Limited. Interest rate is 3 months applicable LIBOR + markup as agreed with the Bank.
- (i) In October 2010, the Corporation's subsidiary (LLL, Mauritius), entered into a credit facility agreement with the Standard Chartered Bank, Singapore branch, for an amount of USD 95,000,000. The loan is secured by pledge of the shares of the Company and fellow subsidiaries viz Bannatyne Enterprises Pte. Ltd., Dowbiggin Enterprises Pte. Ltd., Nacupa Enterprises Pte. Ltd., Spargo Enterprises Pte. Ltd. and Valletort Enterprises Pte. Ltd. and guarantees given by the subsidiaries – ABI Holdings Limited and Britannia Brands Limited and by the fellow subsidiaries – Naira Holdings Ltd. and Associated Biscuits International Ltd. The interest rate of the loan is the percentage rate per annum equal to the aggregate of the applicable margin and LIBOR. The Company shall repay the loan in full in five installments by repaying, on each repayment date, an amount equal to a relevant percentage as set out in the agreement. The value of such loans outstanding at 31st March, 2013 is USD 76,000,000; ₹ 41,335.87 Lakhs (*Previous year ended 31st March, 2012: ₹ 48,176.81 Lakhs*).

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>4. DEFERRED TAX LIABILITY (NET):</b>		
<b>Timing difference on account of:</b>		
<b>Deferred Tax Liability</b>		
— Difference between book written down value and written down value under the Income-tax Act, 1961	—	3,900.82
— Difference between book written down value and written down value under the Karnataka Agricultural Income-tax Act, 1957	1,592.23	24.30
— Others	—	4.00
<b>Less: Deferred Tax Asset</b>		
— Voluntary Retirement Scheme	—	673.00
— Provision for Doubtful Debts, Advances, Derivative Loss, Contingencies	0.65	2,115.03
<b>TOTAL</b>	<b>1,591.58</b>	<b>1,141.09</b>

<b>5. OTHER LONG-TERM LIABILITIES</b>		
Payables on purchase of Fixed Assets	98.68	123.93
Rental/Trade Deposit	46.48	42.08
Others	3,745.07	3,743.61
<b>TOTAL</b>	<b>3,890.23</b>	<b>3,909.62</b>

<b>6. LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	534.45	459.90
Provision for Income tax (Net of Advance tax)	3,790.00	3,754.00
Fringe Benefit Taxation	3.66	1.50
Provision for:		
— Excise Duty (Refer Note 38a)	2,872.00	2,701.00
— Sales Tax (Refer Note 38a)	3,885.00	2,192.00
— Trade and Other issues (Refer Note 38a)	3,276.00	3,002.00
— Provision for other contingencies (Refer Note 38b)	190.00	350.00
— Others	—	5.00
<b>TOTAL</b>	<b>14,551.11</b>	<b>12,465.40</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>7. SHORT-TERM BORROWINGS</b>		
Loans repayable on demand		
Secured		
— From Banks (Refer Note (a), to (e))	12,613.55	8,989.11
Unsecured		
— From Banks	34,415.00	11,702.00
— From Others	—	5.00
TOTAL	<u>47,028.55</u>	<u>20,696.11</u>

**Note:**

- (a) Cash Credit from Axis Bank of ₹ 436.14 Lakhs (Previous Year ₹ 0.91 Lakhs), is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Elkhill Estates. The rate of interest on the loan is ranging from 11% to 13%.
- (b) Cash Credit from HDFC Bank of ₹ 21.24 Lakhs (Previous Year ₹ 15.86 Lakhs) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Singampatti & Mudis Estates. The rate of interest on the loan is ranging from 11% to 13%.
- (c) The FCNR Working Capital Loan from HDFC Bank of ₹ 984.17 Lakhs (Previous Year ₹ 925.67 Lakhs) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Singampatti & Mudis Estates. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4%.
- (d) Loan of ₹ 124.91 Lakhs (Previous Year ₹ 117.02 Lakhs) availed by Britannia and Associates (Mauritius) Private Limited to support working capital requirement of Strategic Food International Co. LLC, Dubai, Strategic Brands Holding Limited and Al Sallan Food Industries Co. SAOC. The loan is secured by an irrevocable and unconditional corporate guarantee from Britannia Industries Limited and carries an interest rate of one year applicable LIBOR + markup as agreed with the bank. Date of maturity of the loan is 13 July 2013.
- (e) Term Loan of ₹ 189.24 Lakhs (Previous Year: ₹ Nil): Rate of interest ranges between 9.25% to 9.35% and period of maturity ranges between 1 day to 30 days.

**8. TRADE PAYABLES**

Trade payables:		
— Due to Micro, Small and Medium Enterprises (Refer Note 47)	596.00	450.00
— Others	41,679.05	40,956.22
TOTAL	<u>42,275.05</u>	<u>41,406.22</u>

**9. OTHER CURRENT LIABILITIES**

Current maturities of long-term debt (Refer Note below)	7,475.46	45,305.22
Current maturities of finance lease obligations	14.00	101.09
Interest accrued but not due on borrowings	143.35	286.34
Unclaimed debenture redemption balance*	582.00	—
Unclaimed debenture interest*	50.00	76.00
Unpaid dividends	284.06	248.80

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
Other payables:		
— To Related Parties	20.67	—
— Statutory remittances	6,189.13	5,509.32
— Creditors for capital goods	1,470.00	1,287.00
— Trade/security deposits received	319.75	320.30
— Advances from customers	1,564.54	1,469.62
— Book Overdraft	6,093.00	—
— Other liabilities	9,825.28	10,918.47
TOTAL	34,031.24	65,522.16
* Investor Education and Protection Fund shall be credited when due.		
<b>Note:</b> Current maturities of long term debts are as under:		
From Banks	7,441.29	4,662.43
8.25% Secured Redeemable Non-Convertible Bonus Debentures (Refer Note 49 for security)	—	40,613.28
Others – Loan against vehicles	34.17	29.51
TOTAL	7,475.46	45,305.22

**10. SHORT-TERM PROVISIONS**

Provision for employee benefits:	1,235.81	1,058.85
Others:		
— Provision for Tax (net of advance tax)	993.63	401.78
— Provision – Others	962.37	—
— Provision for contingencies (Refer Note 38b)	225.00	—
— Provision for proposed equity dividend	2,093.16	976.81
— Provision for tax on proposed dividends	2,083.73	158.46
TOTAL	7,593.70	2,595.90



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 11. FIXED ASSETS

	Original/Revalued Cost as at 1st April 2012	Cost of Additions during the year	Cost of Disposals/Transfers/Adj. during the year	Cost of Disposals/Transfers/Adj. during the year	Currency Alignment on Opening Balance	Currency Alignment on Opening Balance	Currency Alignment for the year	Deduction during the year	Depreciation/Amortisation to 31st March, 2013	Net Book Value as at 31st March, 2012	Net Book Value as at 31st March, 2013
TANGIBLE ASSETS:											
LAND:											
Freehold	1,210.58	756.20	—	—	—	—	—	—	—	1,966.78	1,210.58
Leasehold	5,564.72	25.00	(8.00)	(8.00)	102.77	810.56	49.02	967.90	967.90	4,716.59	4,754.16
ROADS	233.74	—	—	—	233.74	54.87	—	62.43	62.43	171.31	178.87
DEVELOPMENT - PLANTATIONS	2,183.26	339.65	(50.13)	(50.13)	0.17	2,472.95	—	37.01	37.01	2,435.94	2,151.66
BUILDINGS	21,209.55	5,082.30	(68.05)	(68.05)	435.99	8,647.62	—	(27.88)	9,793.34	16,866.45	12,561.93
LEASEHOLD BUILDINGS	44.71	—	—	—	44.71	27.39	—	28.26	16.45	17.32	—
PLANT AND MACHINERY	84,473.13	11,203.34	(2,476.00)	(2,476.00)	1,429.97	94,630.44	40.10	(2,371.00)	50,907.82	43,722.62	39,072.40
MOULDS AND DIES	1,066.74	74.85	—	—	1,141.59	350.35	—	464.01	677.58	—	—
MOTOR VEHICLES AND TRACTORS	1,888.14	176.76	(111.93)	(111.93)	72.35	2,005.32	42.14	(101.86)	1,215.77	789.55	810.16
FURNITURES AND FIXTURES	2,770.49	218.86	(84.00)	(84.00)	17.05	2,922.40	—	(84.00)	1,772.74	1,149.66	1,060.45
OFFICE EQUIPMENTS	3,465.95	726.79	(46.00)	(46.00)	53.00	4,199.74	—	(45.00)	2,728.81	1,470.93	1,195.59
LEASED ASSETS	—	—	—	—	—	—	—	—	—	—	—
Motor Vehicles	134.00	—	—	—	—	63.00	—	—	63.00	71.00	71.00
INTANGIBLE ASSETS:											
Technical know - how	1,010.00	—	—	—	—	1,010.00	—	—	1,010.00	—	0.00
Trademark/Design/Marketing/Infrastructure & Non compete rights	4,142.00	—	—	—	—	4,137.00	—	—	4,137.00	5.00	5.00
Computer Software	1,329.78	788.61	—	—	2,118.39	463.31	—	—	707.94	1,410.45	866.47
Tenancy Rights	36.55	—	—	—	36.55	5.85	—	—	6.45	30.10	30.70
<b>TOTAL</b>	<b>130,743.34</b>	<b>19,392.36</b>	<b>(2,844.11)</b>	<b>(2,844.11)</b>	<b>2,111.30</b>	<b>149,402.89</b>	<b>131.26</b>	<b>(2,629.44)</b>	<b>73,902.48</b>	<b>75,500.41</b>	<b>63,986.29</b>
<b>PREVIOUS YEAR TOTAL</b>	<b>122,942.00</b>	<b>18,537.88</b>	<b>(14,698.11)</b>	<b>(14,698.11)</b>	<b>3,961.57</b>	<b>130,743.34</b>	<b>261.27</b>	<b>(8,787.48)</b>	<b>66,757.05</b>	<b>15,243.02</b>	<b>11,176.52</b>
CAPITAL WORK-IN-PROGRESS											
Notes:											
(a)	Agreements in respect of leasehold land at one factory of the Company (previous year: two factories) are in the process of renewal.										
(b)	Buildings include:										
(i)	Fully paid unquoted shares and bonds in respect of ownership of flats in 2 Co-operative Housing Societies (Previous Year: 2 Co-operative Housing Societies); 499 shares (previous year: 509 shares) of ₹ 50/- each, and 50 interest free loan stock bonds (Previous Year: 50 interest free loan stock bonds) of ₹ 100/- each.										
(ii)	Net book value ₹ 432 lakhs (Previous Year: ₹ 577 lakhs) constructed on a land leased from the government (UAE) which is renewable each year in relation to Strategic Food International Co. LLC, Dubai (SFIIC). The lessor (government (UAE)) would be required to give the tenant (SFIIC) a notice of one year for termination of the lease.										
(iii)	Net book value ₹ 1,354 lakhs (Previous Year: ₹ 1,351 lakhs) constructed on a land leased from the Public Establishment for Industrial Estates (Sohar Industrial Estate) for a period of 25 years from 1 January 1994, which is renewable thereafter for a further period of 25 years in relation to Al Sallan Food Industries Co. SAOC (ASFI).										
(c)	Net book value of tangible assets included in the above schedule pertaining to ASFI amounts to ₹ 5,951 lakhs (Previous Year: ₹ 3,897 lakhs). Substantially all the tangible assets of ASFI are mortgaged as security against the government term loan and other term loans amounting to ₹ 2,820 lakhs (Previous Year: ₹ 1,029 lakhs).										
(d)	Goodwill on consolidation comprises goodwill ₹ 10,778 lakhs (Previous Year: ₹ 10,298 lakhs) and capital reserve ₹ 105 lakhs (Previous Year: ₹ 105 lakhs).										
(e)	Depreciation:										
											(₹ in Lakhs)
	Depreciation charge for the year										7,333
	Reversal of capital subsidy received (Refer note T(iii) and 44)										18
	Net depreciation charge for the year										7,315

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>12. NON-CURRENT INVESTMENTS</b>		
Long Term Investments (At Cost)		
Equity Shares of Companies		
— Quoted	10,466.33	10,502.81
— Unquoted	18.01	517.81
	<u>10,484.34</u>	<u>11,020.62</u>
Associates	380.43	406.64
Government Securities	1.49	1.03
Debentures	3,433.02	3,433.02
Units of Insurance Policies	599.00	599.00
Participating interest	107.22	106.54
Capital in a Partnership firm	—	1.00
Others (viz. Co-operative Societies, etc.)	0.63	0.63
	<u>15,006.13</u>	<u>15,568.48</u>
Less: Provision for diminution in value of Investments	1.00	—
TOTAL	<u><u>15,005.13</u></u>	<u><u>15,568.48</u></u>

**13. LONG-TERM LOANS AND ADVANCES**

**Unsecured**

**Considered good**

Security deposits	1,293.23	852.12
Capital advances	3,572.00	2,194.38
Loans and advances to employees	91.26	130.61
Loans and advances to directors	50.00	—
Advance income tax (net of provisions)	1,030.90	600.41
Minimum Alternate Tax credit entitlement	850.00	149.00
Balances with Central excise, Service tax, Sales tax, etc.	198.49	1,453.15
Other Loans and Advances		
— Intercorporate advances	—	400.00
— Others	3,148.30	3,415.95

**Considered Doubtful**

Deposit towards contingent liabilities (Refer Note 28D)	25.00	25.00
Other Loans and Advances	850.20	873.20
	<u>11,109.38</u>	<u>10,093.82</u>
Less: Provision for doubtful Loans and Advances	875.20	898.20
TOTAL	<u><u>10,234.18</u></u>	<u><u>9,195.62</u></u>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2013	As at 31st March, 2012
<b>14. OTHER NON CURRENT ASSETS</b>		
— Non current portion of other Bank balances	23.26	16.41
— Others	1,212.00	1,212.00
TOTAL	<u>1,235.26</u>	<u>1,228.41</u>
<b>15. CURRENT INVESTMENTS</b>		
(At Cost or Market/Fair value whichever is lower)		
Managed Fixed Income Accounts	49.47	52.58
Specialist Equity Account	368.27	474.32
Units of Mutual Funds	7,291.00	8,154.00
Debentures	—	10,613.00
Structured Notes	—	567.13
Commodities	1,731.74	2,007.32
Quoted Equities	4,557.70	4,953.57
Bonds	4,255.03	5,324.40
Certificate of Deposit	—	2,488.00
TOTAL	<u>18,253.21</u>	<u>34,634.32</u>
<b>16. INVENTORIES</b>		
(At lower of cost & net realisable value)		
Raw materials	19,785.14	26,441.72
Work-in-progress	506.32	574.55
Finished goods (other than those acquired for trading)	17,255.48	14,514.90
Stock-in-trade (acquired for trading)	5,184.22	4,830.94
Stores and spares including Loose Tools	3,017.69	2,700.11
Others – Real Estate under development	1,987.38	1,910.59
TOTAL	<u>47,736.23</u>	<u>50,972.81</u>
<b>17. TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
— considered good	2,152.79	1,694.84
— considered doubtful	1,668.34	1,613.83
	<u>3,821.13</u>	<u>3,308.67</u>
Less: Provision for doubtful trade receivables	1,668.34	1,613.83
	<u>2,152.79</u>	<u>1,694.84</u>
Other Trade receivables		
— considered good	15,515.93	14,888.09
— considered doubtful	0.00	—
Less: Provision for doubtful trade receivables	—	—
TOTAL	<u>17,668.72</u>	<u>16,582.93</u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	(₹ in Lakhs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>18. CASH AND BANK BALANCE</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	81.94	88.93
Cheques, Drafts on hand	4,513.00	2,022.00
Balances with banks		
— In current accounts	11,597.80	9,044.82
— In deposit accounts	2,320.73	9,237.42
<b>Other bank balances</b>		
— Unpaid dividend accounts	284.06	248.80
— Unclaimed Debenture interest	72.00	76.00
— Unclaimed debenture redemption proceeds	582.00	-
— Balances held as margin money against guarantees and other commitments	—	790.00
— Bank deposits	—	6.94
TOTAL	<u>19,451.53</u>	<u>21,514.91</u>

**19. SHORT-TERM LOANS AND ADVANCES**

<b>Unsecured</b>		
<b>Considered good</b>		
Loans and advances to related parties (Refer Note 36)	1,161.14	970.71
Loans and advances to Employees	107.41	181.82
Balances with Central Excise, Service Tax, Sales Tax etc.	1,165.23	266.46
Minimum Alternate Tax credit entitlement	—	180.00
Employee benefit gratuity	—	91.00
Interest accrued but not due	81.00	427.00
Intercorporate Deposits	—	6,000.00
Security deposits	275.36	485.63
Prepaid expenses	109.32	222.94
Others	18,239.31	9,091.25
<b>Considered Doubtful</b>		
— Loans and advances – others	290.00	280.00
	<u>21,428.77</u>	<u>18,196.81</u>
Less: Provision for other doubtful loans and advances	290.00	280.00
TOTAL	<u>21,138.77</u>	<u>17,916.81</u>

**20. OTHER CURRENT ASSETS**

Earnest Money deposit	1.44	1.21
Accruals		
— Interest accrued on deposits and investments	—	72.21
— Related party (Refer Note 36)	105.20	—
— Others	44.71	—
— Export benefit receivable	317.87	336.20
— Others	—	6.23
TOTAL	<u>469.22</u>	<u>415.85</u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>For the year ended 31st March, 2013</b>	<i>For the year ended 31st March, 2012</i>
<b>21. Revenue from operations</b>		
Sale of products (Refer Note (i) below)	<b>655,527.29</b>	596,631.77
Sale of services (Refer Note (ii) below)	<b>22.60</b>	21.83
Other operating revenues (Refer Note (iii) below)	<b>5,781.16</b>	3,633.28
	<b>661,331.05</b>	600,286.88
Less: Excise duty	<b>9,455.19</b>	7,527.37
<b>TOTAL</b>	<b>651,875.86</b>	592,759.51
<b>Note (i)</b>		
Sale of products comprises:		
<u>Manufactured goods</u>		
Tea	<b>13,114.72</b>	11,620.19
Coffee	<b>1,367.69</b>	1,227.07
Autoancillary – Switches, Solenoids, etc.	<b>10,590.99</b>	10,102.72
Other Plantation Products	<b>35.65</b>	511.38
Laminates	—	4,376.22
Biscuits and dairy products	<b>622,091.71</b>	551,996.00
Precision springs	—	9,481.71
Weighing Products	<b>205.83</b>	209.73
Horticulture and Landscaping services	<b>4,693.27</b>	4,212.03
Dental Products	<b>1,636.85</b>	1,398.63
Other	<b>65.32</b>	60.02
<b>SUB-TOTAL</b>	<b>653,802.03</b>	595,195.70
<u>Traded goods</u>		
Tea	<b>51.40</b>	60.40
Coffee	<b>1,478.37</b>	1,210.11
Weighing Products	<b>28.24</b>	21.22
Dental Products	<b>167.25</b>	144.34
<b>SUB-TOTAL</b>	<b>1,725.26</b>	1,436.07
<b>TOTAL</b>	<b>655,527.29</b>	596,631.77
<b>Note (ii)</b>		
Sale of services comprises:		
Weighing Products	<b>22.60</b>	21.83
<b>TOTAL</b>	<b>22.60</b>	21.83
<b>Note (iii)</b>		
Other operating revenues comprise:		
Sale of scrap	<b>2,392.67</b>	1,604.25
Royalty income	<b>245.00</b>	225.00
Duty drawback and other export incentives	<b>420.26</b>	331.31
Expenses recovered from various companies	<b>79.68</b>	496.12
Agency commission	<b>49.00</b>	55.00
Rent (including machinery etc. Hire charges/Lease Rent)	<b>88.69</b>	82.26
Provision and liabilities no longer required written back	<b>88.55</b>	582.00
Others(Refer Note below)	<b>2,417.31</b>	257.34
<b>TOTAL</b>	<b>5,781.16</b>	3,633.28

**Note:**

Includes an amount of Rs. 1,748 lakhs towards VAT incentive for the Hajipur Factory, Bihar and Khurda Factory, Orissa in accordance with the State Industrial Policy of Bihar and Orissa.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	(₹ in Lakhs)	
	<b>For the year ended 31st March, 2013</b>	<i>For the year ended 31st March, 2012</i>
<b>22. OTHER INCOME</b>		
Interest income	4,013.62	3,532.16
Dividend income from:		
— Current investments	0.46	—
— Long Term investments	—	36.00
— Related parties	—	114.71
— Others	461.19	211.63
Net gain on sale of long-term investments/Current investments	1,617.32	922.00
Net gain on foreign currency transactions and translation (other than considered as finance cost)	110.94	209.62
Other non-operating income (Refer Note below)	1,373.11	2,619.25
TOTAL	<u>7,576.64</u>	<u>7,645.37</u>
<b>Note</b>		
Other non-operating income:		
— Rental income from investment properties	29.39	30.56
— Profit on sale of fixed assets	823.54	1,614.16
— Liabilities/Provisions no longer required written back	110.38	299.55
— Miscellaneous income (includes compensation from surrender of tenancy rights)	409.80	674.98
TOTAL	<u>1,373.11</u>	<u>2,619.25</u>
<b>23. COST OF MATERIALS CONSUMED</b>		
Material consumed comprises:		
Paper Prints	—	1,258.05
Chemicals	965.80	1,081.36
Bought Leaf	1,696.10	1,343.00
Miscellaneous Raw Materials	—	980.51
Steel Wires	—	4,978.28
Electronic and Mechanical Components	16.85	54.11
Biscuit and Dairy Products	335,051.00	310,913.00
Auto Electric Components	5,666.15	5,782.09
Others	1,910.75	3,197.92
TOTAL	<u>345,306.65</u>	<u>329,588.32</u>
<b>23. PURCHASE OF STOCK-IN-TRADE</b>		
Tea	62.21	50.65
Coffee	2,782.15	1,101.72
Laminates	—	10.15
Weighing Products	16.33	15.74
Dental Products	77.59	94.61
Biscuit and Dairy Products	51,851.00	43,768.00
Others	2,721.00	—
TOTAL	<u>57,510.28</u>	<u>45,040.87</u>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	<b>For the year ended 31st March, 2013</b>	<i>For the year ended 31st March, 2012</i>
<b>23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories at the end of the year:</b>		
Finished goods (including stock in trade of traded goods)	<b>21,041.70</b>	<i>18,074.31</i>
Work-in-progress	<b>506.32</b>	<i>266.57</i>
Stock in Trade	<b>1,812.00</b>	<i>996.76</i>
	<b>23,360.02</b>	<i>19,337.64</i>
<b>Inventories at the beginning of the year:</b>		
Finished goods (including stock in trade of traded goods)	<b>18,074.31</b>	<i>19,044.32</i>
Work-in-progress	<b>266.57</b>	<i>716.01</i>
Stock in Trade	<b>996.76</b>	<i>0.05</i>
	<b>19,337.64</b>	<i>19,760.38</i>
Less: Transferred on sale of undertakings	<b>—</b>	<i>2,336.03</i>
	<b>19,337.64</b>	<i>17,424.35</i>
NET INCREASE	<b>(4,022.38)</b>	<i>(1,913.29)</i>

**24. EMPLOYEE BENEFITS EXPENSE**

Salaries and wages (Refer Note below)	<b>27,756.98</b>	<i>25,268.75</i>
Contributions to provident and other funds (Refer Note 39)	<b>2,590.37</b>	<i>1,726.11</i>
Staff welfare expenses	<b>1,399.78</b>	<i>3,039.14</i>
Less: Transferred to Real Estate under development (Refer note 27)	<b>51.08</b>	<i>46.83</i>
TOTAL	<b>31,696.05</b>	<i>29,987.17</i>

## Note:

During the previous year, pursuant to the consent order in the writ petition no. 2659/2005, before the Honourable Bombay High Court, the Company accepted the application for Voluntary Retirement Scheme ('VRS') offered to all workmen at the Reay Road Mumbai factory. Consequently, all the legal cases related to the closure of the factory, were disposed off and an amount of ₹ 15.05 Lakhs was paid towards the VRS.

**25. FINANCE COSTS**

Interest expense on:		
— Bank Borrowings and Others	<b>3,860.88</b>	<i>4,411.17</i>
— Redeemable Non-Convertible Bonus Debentures	<b>3,250.00</b>	<i>3,360.00</i>
TOTAL	<b>7,110.88</b>	<i>7,771.17</i>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	(₹ in Lakhs)	
	<b>For the year ended 31st March, 2013</b>	<i>For the year ended 31st March, 2012</i>
<b>26 OTHER EXPENSES</b>		
Consumption of stores and spare parts	2,904.33	2,593.04
Increase of excise duty on inventory	14.28	42.02
Processing charges	43,472.02	37,354.66
Power and fuel	10,304.91	8,750.81
Rent including lease rentals (Refer Note 33)	1,265.60	1,165.01
Repairs and maintenance – Buildings	447.36	1,410.97
Repairs and maintenance – Machinery	1,699.08	521.52
Repairs and maintenance – Others	2,005.37	1,557.59
Insurance	325.33	268.81
Rates and taxes	2,276.30	2,722.26
Communication	121.84	145.25
Travelling and conveyance	446.21	529.47
Printing and stationery	98.73	71.42
Freight and forwarding	35,899.27	34,227.54
Selling Agents Commission and discount	529.99	1,068.12
Advertisement and Business Promotion expenses	53,684.94	42,117.14
Legal and professional	847.52	399.67
Retainer fees	70.55	18.96
Brand equity and Shared expenses	88.47	29.36
Payments to auditors	181.85	179.67
Bad trade and other receivables, loans and advances written off	76.80	102.03
Director's sitting fees	11.60	10.61
Obsolete stocks written off	—	47.00
Loss on fixed assets sold/scrapped/written off	—	18.26
Provision for doubtful trade and other receivables, loans and advances (net)	1.35	333.12
Technical know-how fees/Royalty	—	46.29
Provision for contingencies	65.00	225.00
Miscellaneous expenses	20,420.59	18,854.87
Less: Transferred to Real estate under development (Refer Note 27)	38.61	19.67
TOTAL	<u><u>177,220.68</u></u>	<u><u>154,790.80</u></u>
<b>27 COST RELATING TO REAL ESTATE UNDER DEVELOPMENT:</b>		
Opening Inventory (Real estate under development)	1,910.59	1,856.99
Add: Expenditure relating to Real Estate Division incurred during the year		
Payments to and provision for employees (Refer Note 24)	51.08	46.83
Contract/retainership fees (Refer Note 26)	24.65	5.49
Travelling and other expenses (Refer Note 26)	13.96	14.18
	<u>89.69</u>	<u>66.50</u>
	2,000.28	1,923.49
Closing Inventory (Real Estate under Development)	1,987.38	1,910.59
TOTAL	<u><u>12.90</u></u>	<u><u>12.90</u></u>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS****28. Contingent Liabilities not provided for:****I. BBTCL:**

- A. Sundry claims against the Corporation by employees and others not admitted (amount indeterminate). In the opinion of the management, the outcome of these claims is likely to be immaterial.
- B. In case of the Corporation, disputed demands of Central Excise Department not provided for in respect of:

	<b>Current Year</b> ₹ in Lakhs	<i>Previous Year</i> ₹ in Lakhs
South India Consolidation Division	<b>1.47</b>	<i>1.47</i>
Erstwhile Summica Division	<b>3,728.24</b>	<i>Nil</i>

- C. Disputed wage demands pending with the Industrial Tribunal ₹ **232.25 Lakhs** (*Previous Year ₹ 232.25 Lakhs*) and back wages relief granted by Labour Court ₹ **Nil** (*Previous Year ₹ 0.58 Lakhs*) in respect of South India Branches.
- D. Damages and interest on alleged unauthorized occupation of residential premises determined by the Estate Officer L.I.C. up to 31st March 2013 and disputed by the Corporation ₹ **101.37 Lakhs** (*Previous Year ₹ 140.96 Lakhs*).
- E. PF Demand on allowance paid to workers ₹ **98.63 Lakhs** (*Previous Year ₹ 98.63 Lakhs*)
- F. The Corporation has created provision against contingencies described in item nos. B to E as an abundant precaution. [Refer Note No 38]
- G. Letter of Credit in respect of erstwhile BCL Springs ₹ **Nil** (*Previous Year ₹ 329.39 Lakhs*).
- H. Matters under dispute relating to Income tax in respect of the erstwhile Electromags Automotive Products Private Limited. A.Y. 2004-05 ₹ 5.23 Lakhs, for the A.Y.2009-10 ₹ 64.26 Lakhs and for A.Y 2011-12 ₹ 1.79 Lakhs.

**II. BIL Group:**

- A. Claims/demands against the Group not acknowledged as debts including excise, income tax, sales tax and trade and other demands of ₹ **4,539 Lakhs** (*Previous Year: ₹ 3,004 Lakhs*).
- B. Bank guarantee and letter of credit for ₹ **2,244 Lakhs** (*Previous year: ₹ 1,067 Lakhs*).
- C. Discounted cheques ₹ **295 Lakhs** (*Previous Year: ₹ 316 Lakhs*).

**Notes:**

- (i) Contingent liabilities disclosed above represent possible obligations where possibility of cash outflow to settle the obligations is not remote.
- (ii) The above does not include non-quantifiable industrial disputes and other legal disputes pending before various judicial authorities [Also refer note 38].

**29. In the case of BBTCL Group, estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 303.54 Lakhs (Previous Year ₹ 140.25 Lakhs).**

In the case of BIL, estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ **3,351 Lakhs** (*Previous Year ₹ 4,481 Lakhs*).

**30. Non-Use of Uniform Accounting Policies by Subsidiaries and Associates:**

- (a) Some of the subsidiaries and associates of the BBTCL Group have provided depreciation on all the fixed assets on written down value method, which is in variance to the method adopted by the Corporation. The value of such items is as under:

<u>Name of Subsidiary/Associate</u>	<u>Gross Value of Fixed Assets</u> ₹ in Lakhs
Afco Industrial and Chemicals Limited	<b>110.73</b> <i>(110.33)</i>
DPI Products & Services Limited	<b>58.31</b> <i>(57.91)</i>
Inor Medical Products Limited	<b>1,025.64</b> <i>(839.51)</i>

(Figures in italics and brackets are in respect of the previous year).

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(b) In respect of assets held by J B Mangharam Foods Private Limited and Ganges Vally Foods Private Limited, depreciation is provided on a written-down-value basis over its expected useful life. The written down value of assets as on 31 March 2013 amounts to ₹ **377 Lakhs** and ₹ **286 Lakhs** (*Previous Year: ₹ 406 Lakhs and ₹ 313 Lakhs*) for J B Mangharam Foods Private Limited and Ganges Vally Foods Private Limited respectively. The impact of the depreciation computed under the straight line method is not material.

(c) In respect of following subsidiaries of the BIL Group, inventories are valued at cost, computed under first-in-first-out basis. The value of these inventories is as given below:

	₹ in Lakhs	
	<b>31st March, 2013</b>	<i>31st March, 2012</i>
Britannia Dairy Private Limited	<b>1,754.00</b>	<i>1948.00</i>

(d) In respect of LLL, subsidiary of the LLSB Group, exchange difference on translation of Foreign Currency loans is charged to P& L account. The value of such loans outstanding at 31st March, 2013 is ₹ **42,259.36 Lakhs** (*Previous Year ended 31st March, 2012: ₹ 48,176.81 Lakhs*).

**31. Profit on Sale of Undertakings:**

During the previous year ended 31st March, 2012, pursuant to the approval of shareholders and other authorities, the Corporation transferred and sold Sunmica Division (Building Products) with effect from close of business hours on 31st October, 2011 and BCL Springs Division (Auto Ancillary Products) with effect from close of business hours on 30th November, 2011 on a slump sale basis for a lumpsum consideration.

Previous year's figures include profit on sale of these undertakings as given hereunder:

	<b>Current Year ₹ in Lakhs</b>	<i>Previous Year ₹ in Lakhs</i>
Profit on sale of BCL Springs Division	—	<i>12,493.44</i>
Profit on sale of Sunmica Division	—	<i>3,977.14</i>
<b>TOTAL</b>	<b>—</b>	<i>16,470.58</i>

**32. Profit from Discontinued Operations of Divisions:**

Previous Year's figures include profit from discontinued operations of Sunmica Division and BCL Springs Division upto the date of transfer/sale as mentioned in Note No. 31. The details of Revenue, Expenditure and Profits upto the date of their respective transfer/sale as accounted for in the previous year are given below:

	(₹ in Lakhs)	
	<b>BCL Springs (Auto Ancillary Products)</b>	<b>Sunmica (Building Products)</b>
Revenue (net of excise) and other income from operations	7,975.77	4,521.97
Expenditure	7,489.89	4,613.55
Profit/(Loss) from Discontinued Operations	<b>485.88</b>	<b>(91.58)</b>
Total Profit from discontinued operations:		
BCL Springs (Auto Ancillary Products)	<b>485.88</b>	
Sunmica (Building Products)	<b>(91.58)</b>	
<b>TOTAL</b>	<b>394.30</b>	

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS****33. Leases:****(A) Operating Lease:**

The Corporation has taken various residential/commercial premises and plant and machinery under operating leases. These lease agreements are normally renewed on expiry. The lease payments recognised in statement of profit and loss is ₹ 52.69 Lakhs (Previous Year ₹ 208.88 Lakhs).

**Leila Lands Sendirian Berhad Group (LLSB):**

The LLSB leases certain property under lease agreements that are non-cancellable within a year from the date of contract. The leases expire at various dates until 2015 and contain provision for rental adjustments.

Future minimum lease payments for all leases with initial or remaining terms of one year or more are as follows:

	<b>Current Year</b> ₹ in Lakhs	<i>Previous Year</i> ₹ in Lakhs
Within 1 year	<b>190.02</b>	<i>163.55</i>
Later than 1 year and not later than 5 years	<b>261.95</b>	<i>429.68</i>
Total Present value of Minimum Installments	<b>451.97</b>	<i>593.23</i>

**BIL Group:**

The BIL Group has certain operating leases for land, office facilities and residential premises (cancellable as well as non-cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement (except non-cancellable leases). Rental expenses of ₹ **873 Lakhs** (*Previous Year: ₹ 660 Lakhs*) and ₹ **21 Lakhs** (*Previous Year: ₹ 23 Lakhs*) in respect of obligation under cancellable and non-cancellable operating leases respectively have been recognised in the statement of profit and loss. With respect to AI Sallan Food Industries Company (SAOC), the Company has taken on lease a plot of land for factory premises at Sohlar from the Public Establishment for Industrial Estates ("PEIE") for a period of 25 years from 1 January 1994 which is renewable thereafter for a further period of 25 years.

Future obligations of lease rentals applicable to above leased assets aggregate to ₹ **120.57 Lakhs** (*Previous Year: ₹ 138.77 Lakhs*) and are due:

	₹ in Lakhs	
	<b>Current Year</b>	<i>Previous Year</i>
Not later than 1 year	<b>20.97</b>	<i>22.84</i>
Later than 1 year and not later than 5 years	<b>83.88</b>	<i>81.54</i>
later than 5 years	<b>15.72</b>	<i>34.39</i>
	<b>120.57</b>	<i>138.77</i>

**(B) Finance Lease:****BIL Group:**

The Group has taken motor vehicles under finance leases. The total minimum lease payments and present value of minimum lease payments as at 31st March 2013 are as follows:

	₹ in Lakhs			
	<b>31 March, 2013</b>		<i>31 March, 2012</i>	
	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>	<i>Minimum lease payments</i>	<i>Present value of minimum lease payments</i>
Not later than 1 year	<b>19.83</b>	<b>13.83</b>	<i>33.73</i>	<i>24.56</i>
Later than 1 year and not later than 5 years	<b>38.00</b>	<b>41.00</b>	<i>63.67</i>	<i>59.27</i>
	<b>57.83</b>	<b>54.83</b>	<i>97.50</i>	<i>83.83</i>

The difference between minimum lease payments and the present value of minimum lease payments of ₹ **3.00 Lakhs** (*Previous Year: ₹ 13.67 Lakhs*) represents interest not due. The lease liability is secured by the relevant vehicles acquired under lease.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

34. Earnings per Share:

Earnings per Share from Continuing Operations:

(₹ in Lakhs)

	<b>Current Year</b> ₹ in Lakhs	<i>Previous Year</i> ₹ in Lakhs
(A) Net Profit for calculation of Earnings per Share (numerator)	<b>13,227.21</b>	22,314.98
(B) Weighted Average number of equity shares (denominator) (Nos.)	<b>6,97,71,900</b>	6,97,71,900
(C) Basic and Diluted Earnings per share (A / B) (in ₹)	<b>18.96</b>	31.98
(D) Nominal value per equity share (in ₹)	<b>2</b>	2

Earnings per Share from Total Operations:

(₹ in Lakhs)

	<b>Current Year</b> ₹ in Lakhs	<i>Previous Year</i> ₹ in Lakhs
(A) Net Profit for calculation of Earnings per Share (numerator)	<b>13,227.21</b>	23,015.77
(B) Weighted Average number of equity shares (denominator) (Nos.)	<b>6,97,71,900</b>	6,97,71,900
(C) Basic and Diluted Earnings per share (A / B) (in ₹)	<b>18.96</b>	32.99
(D) Nominal value per equity share (in ₹)	<b>2</b>	2

35. Segment Information:

A. Primary Segment Reporting (by Business Segment)

(i) Composition of Business Segments

The Corporation's business segments based on product lines are as under:

- **Plantation Products**  
Segment produces/trades in Tea, Coffee, Timber, Cardamom, Pepper and Rubber.
- **Building Products**  
Segment manufactures/trades in Phenolic Laminates (Industrial Laminates including Copper Clad Laminates and Surfacing Laminates).
- **Auto Ancillary Products**  
Segment manufactures Precision Springs, Solenoids, switches, valves, slip rings etc. for automobile and other industries.
- **Weighing Products**  
Segment manufactures/trades in Analytical and Precision Balances and Weighing Scales.
- **Investments**  
Segment invests in various securities listed as well as unlisted mainly on a long-term basis.
- **Dental Products**  
Segment manufactures/trades in healthcare / dental products.
- **Horticulture**  
Segment deals with decorative plants and landscaping services.
- **Real Estate**  
Segment represents property development.
- **Food – Bakery and Dairy Products**  
Segment represents bakery and dairy products.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## (ii) Segment Revenues, Results and Other Information

	Continuing Operations						Dis-continued Operations		Total of Reportable Segments		
	Plantation Products	Dental Products	Auto* Ancillary Products	Weighing Products	Investments	Real Estate	Horticulture	Food – Bakery & Dairy Products		Building Products	Auto** Ancillary Products
Sales (Net of excise duty)	<b>16,013.42</b> (14,924.52)	<b>1,804.10</b> (1,564.07)	<b>9,799.63</b> (—)	<b>237.25</b> (235.10)	— (1.57)	— (—)	<b>4,690.58</b> (4,214.18)	<b>618,540.70</b> (548,537.28)	— (4,376.22)	— (18,204.12)	<b>651,085.68</b> (592,056.78)
Other Income	<b>512.83</b> (74.84)	<b>5.55</b> (1.49)	<b>186.71</b> (—)	— (3.85)	<b>297.89</b> (722.84)	— (—)	— (52.77)	— (5,914.00)	— (145.75)	— (214.66)	<b>1,002.98</b> (7,130.21)
Segment Revenues	<b>16,526.25</b> (14,999.36)	<b>1,809.65</b> (1,565.96)	<b>9,986.34</b> (—)	<b>237.25</b> (238.95)	<b>297.89</b> (724.42)	— (—)	<b>4,690.58</b> (4,266.95)	<b>618,540.70</b> (554,451.00)	— (4,521.97)	— (18,418.78)	<b>652,088.66</b> (599,186.97)
Segment Results	<b>1,358.21</b> (1,287.72)	<b>380.83</b> (374.82)	<b>1,208.43</b> (—)	<b>49.10</b> (48.91)	<b>297.89</b> (16,697.88)	<b>- 13.20</b> (-13.20)	<b>448.43</b> (510.42)	<b>34,502.00</b> (14,329.07)	— (224.55)	— (2,193.64)	<b>38,231.69</b> (35,653.81)
Segment Assets	<b>18,733.65</b> (14,590.20)	<b>1,068.86</b> (915.46)	<b>7,423.10</b> (—)	<b>344.92</b> (341.43)	<b>34,506.14</b> (122,140.34)	<b>1,987.71</b> (1,911.23)	<b>3,542.82</b> (6,205.18)	<b>188,347.00</b> (186,009.00)	— (—)	— (7,304.58)	<b>255,954.21</b> (339,417.42)
Segment Liabilities	<b>3,123.80</b> (3,758.34)	<b>164.10</b> (162.22)	<b>1,695.71</b> (—)	<b>40.84</b> (41.33)	— (83,388.66)	— (—)	<b>1,073.89</b> (1,120.92)	<b>154,647.66</b> (133,074.00)	— (—)	— (5,865.44)	<b>160,745.99</b> (227,410.92)
Capital Expenditure (included in segment assets)	<b>1,812.67</b> (1,447.79)	<b>13.44</b> (2.22)	<b>161.36</b> (—)	— (6.54)	— (0.40)	— (—)	<b>131.01</b> (488.17)	<b>21,295.00</b> (25,624.18)	— (—)	— (139.43)	<b>23,413.48</b> (27,708.73)
Depreciation/ Amortisation	<b>397.37</b> (399.68)	<b>10.94</b> (10.68)	<b>226.00</b> (—)	<b>13.62</b> (13.48)	— (367.38)	<b>0.30</b> (0.30)	<b>313.00</b> (168.06)	<b>7,315.00</b> (5,823.18)	— (194.64)	— (362.01)	<b>8,276.23</b> (7,339.41)

(Figures in brackets are in respect of the previous year.)

\* Erstwhile Electromags Automotive Products Private Limited has been classified as an Auto Ancillary Division under 'Continuing Operations' with effect from 1st April, 2011.

\*\* Auto Ancillary Division pertains to BCL Springs, whose operations have been discontinued from 30th November, 2011.

## (iii) Reconciliation of Reportable Segments with the Financial Statements

	(₹ in Lakhs)						
	Revenues	Results/Net Profit/Loss	Assets	Liabilities	Capital Expenditure	Depreciation/Amortisation	
Total of Reportable Segments	<b>652,088.66</b> (599,186.97)	<b>38,231.69</b> (35,653.81)	<b>255,954.21</b> (339,417.42)	<b>160,745.99</b> (227,410.92)	<b>23,413.48</b> (27,708.73)	<b>8,276.23</b> (7,339.41)	
Corporate/Unallocated Segment	<b>7,550.18</b> (2,058.66)	<b>5,150.55*</b> (16,868.53)*	<b>92,402.44</b> (14,312.02)	<b>67,414.61</b> (16,466.63)	<b>49.96</b> (425.47)	<b>—</b> (13.42)	
Less: Interest		<b>- 7,110.88</b> (-7,771.17)					
Less: Taxes		<b>- 10,291.64</b> (-11,291.11)					
Less: Net Intra/Inter segment transactions	<b>- 0.15</b> (-840.77)	<b>- 12,752.37</b> (-506.48)	<b>- 6,094.34</b> (-10,847.82)	<b>- 426.80</b> (-10,121.45)			
As per Financial Statement	<b>659,638.69</b> (600,404.86)	<b>13,227.35</b> (32,953.58)	<b>342,262.31</b> (342,881.62)	<b>227,733.80</b> (233,756.10)	<b>23,463.84</b> (28,134.20)	<b>8,276.23</b> (7,352.83)	

(Figures in brackets are in respect of the previous year).

\* Comprising Profit on sale of undertakings, fixed assets, Management Charges recovered and Loss on Exchange (net).

## B. Secondary Segment Reporting (by Geographical Segment)

	(₹ in Lakhs)		
	Domestic	Exports*	Total
Revenues	<b>637,351.41</b> (590,901.62)	<b>22,287.28</b> (9,503.24)	<b>659,638.69</b> (600,404.86)
Total Assets	<b>250,215.21</b> (231,972.95)	<b>92,047.09</b> (110,908.67)	<b>342,262.31</b> (342,881.62)
Capital Expenditure	<b>23,329.43</b> (27,641.20)	<b>134.41</b> (493.00)	<b>23,463.84</b> (28,134.20)

(Figures in brackets are in respect of the previous year).

\*It includes revenues and assets of foreign branches and foreign subsidiaries.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

36. Related Party Disclosures

Related party disclosures as required by (AS-18) "Related Party Disclosures" are given below:

(1) **Key Management Personnel:**

Mr. Ashok Panjwani – Managing Director, BBTCL  
 Mr. Ness Wadia – Managing Director, BBTCL  
 Ms. Vinita Bali – Managing Director, BIL  
 Mr. Jayant S. Gadgil – Director  
 Mr. Albert Geow Chwee Hiam – Director  
 Dr. Chua Eng Sian – Director  
 Michael Lim Hee Kiang – Director  
 Rabindra Santhanasegira – Director  
 Patrick Kennedy Cassels – Director  
 Tai Yit Chan – Director  
 Irene Liew – Director

(2) **Associates:**

Lotus Viniyog Private Limited  
 Roshnara Investment & Trading Company Private Limited  
 Cincinnati Investment & Trading Company Private Limited  
 Lima Investment & Trading Company Private Limited  
 Shadhak Investment & Trading Private Limited  
 MSIL Investments Private Limited  
 Inor Medical Products Limited  
 Medical Microtechnology Limited  
 Klassik Foods Private Limited  
 Nalanda Biscuits Company Limited  
 Vasna Agrex Private Limited  
 Snacko Bisc Private Limited  
 Appear Dream Limited U.K.  
 Ink (Clothing) Limited U.K.  
 Go Airlines (India) Limited

(3) **The following transactions were carried out with the related parties in ordinary course of business.**

**Details relating to the parties referred to in items 1 and 2 above:**

		(₹ in Lakhs)	
Details	Relationship	Year ended 31st March, 2013	Year ended 31st March, 2012
<b>Purchase of finished goods/consumables and ingredients</b>			
Nalanda Biscuits Company Limited	Associate	1,953.00	6,707.21
<b>Conversion charges paid</b>			
Klassik Foods Private Limited	Associates	355.00	498.00
<b>Rent Received</b>			
Inor Medical Products	Associates	78.16	76.73
<b>Shared Expenses</b>			
Inor Medical Products	Associates	65.00	65.00
<b>Expenses Charged by them</b>			
Inor Medical Products	Associates	37.93	35.54
<b>Expenses Charged to them</b>			
Inor Medical Products	Associates	10.30	4.56
<b>Interest and dividend income</b>			
Inor Medical Products	Associates	113.74	90.18
Go Airlines Limited	Associates	598.25	—
<b>Dividend Paid</b>			
Mr. Ness Wadia	KMP	0.07	0.07
<b>Loan given to Directors</b>			
Mr. Ashok Panjwani	KMP	50.00	—

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details	Relationship	Year ended 31st March, 2013	Year ended 31st March, 2012
<b>Interest on loan given to Directors</b>			
Mr. Ashok Panjwani	KMP	1.45	—
<b>Dividend Received</b>			
Inor Medical Products	Associates	1.44	1.44
<b>Commission Received</b>			
Inor Medical Products	Associates	55.06	60.67
<b>Management contracts including secondment of employees, net</b>			
Lotus Viniyog	Associates	—	1.87
<b>Remuneration</b>			
Mr. Ashok Panjwani	KMP	205.39	135.78
Mr. Ness Wadia	KMP	190.03	190.03
Ms. Vinita Bali	KMP	590.00	572.21
Mr. Jayant Gadgil, Mr. Albert Geow Chwee Hiam, Dr. Chua Sian Eng, Mr. Patrick Kennedy Cassels, Ms. Tai Yit Chan, Ms. Irene Liew, Rabindra Santhanasegira, Michael Lim Hee Kiang	KMP	193.21	163.77
<b>Total</b>		<b>1,178.63</b>	<b>1,061.79</b>
<b>Consideration received on share allotment under ESOS</b>			
Ms Vinita Bali	KMP	144.00	—
<b>Consideration received for share application money (pending allotment) on exercise of options</b>			
Ms Vinita Bali	KMP	229.00	—
<b>Share of Current Year Profit/(Loss)</b>			
Klassik Foods Private Limited	Associates	0.72	(2)
Nalanda Biscuits Company Limited	Associates	(30.78)	(6)
Roshnara Investments & Trading Company Private Limited	Associates	(0.03)	(0.03)
Cincinnati Investment & Trading Company Private Limited	Associates	(0.04)	(0.03)
Lima Investment & Trading Company Private Limited	Associates	(0.04)	(0.03)
Shadhak Investment & Trading Private Limited	Associates	(0.04)	(0.03)
Lotus Viniyog Private Limited	Associates	0.66	(0.53)
MSIL Investments Private Limited	Associates	(0.05)	(0.05)
Inor Medical Products Limited	Associates	(9.00)	0.68
Medical Microtechnology Limited	Associates	0.08	0.02
<b>Total</b>		<b>(38.52)</b>	<b>(8.00)</b>
<b>Sale of Goods/consumables and ingredients</b>			
Nalanda Biscuits Company Limited	Associates	158.00	34.58
<b>Advance/Inter-Corporate deposits received</b>			
Inor Medical Products	Associates	335.15	295.00
Go Airlines Limited	Associates	9,300.00	—
<b>Advance/Inter-Corporate deposits paid</b>			
Inor Medical Products	Associates	159.84	205.00
Go Airlines Limited	Associates	9,300.00	—
<b>Interest accrued</b>			
Go Airlines Limited	Associates	105.20	—
		(—)	(—)

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Details	Relationship	Year ended 31st March, 2013	Year ended 31st March, 2012
<b>Outstanding as at year end</b>			
<b>Net receivables/(payables)</b>			
Klassik Foods Private Limited	Associates	27.00	4.00
Nalanda Biscuits Company Limited	Associates	92.00	141.00
Inor Medical Products	Associates	1,136.45	945.37
Lotus Viniyog	Associates	7.27	7.27
Mr. Ashok Panjwani	KMP	50.00	—
<b>Total</b>		<b>1,312.72</b>	<b>1,097.64</b>
<b>Outstanding Amount payable</b>			
Inor Medical Products Limited	Associates	42.01	-
<b>Investments (Including goodwill)</b>			
Klassik Foods Private Limited	Associates	104.39	103.87
Nalanda Biscuits Company Limited	Associates	8.87	39.45
Vasna Agrex and Herbs Private Limited	Associates	1.00	1.00
Roshnara Investments & Trading Company Private Limited	Associates	4.70	4.73
Cincinnati Investment & Trading Company Private Limited	Associates	4.71	4.74
Lima Investment & Trading Company Private Limited	Associates	4.72	4.75
Shadhak Investment & Trading Private Limited	Associates	4.71	4.74
Lotus Viniyog Private Limited	Associates	34.51	33.85
MSIL Investments Private Limited	Associates	4.68	4.73
Inor Medical Products Limited	Associates	100.06	109.06
Medical Microtechnology Limited	Associates	4.32	4.24
Ink (Clothing) Limited U.K.	Associates	81.84	81.84
<b>Total</b>		<b>358.51</b>	<b>396.68</b>
<b>Provision for Investment</b>			
Vasna Agrex and Herbs Private Limited	Associates	1.00	1.00

37. The following are the details of goodwill/ capital reserve included in investments in associates made by the Corporation/Subsidiaries of the Corporation (other than for associates of BIL Group).

Name of the Associate	(₹ in Lakhs) Goodwill/(Capital Reserve)
Shadhak Investments & Trading Private Limited	<b>0.09</b> (0.09)
MSIL Investments Private Limited	<b>0.06</b> (0.06)
Lima Investments & Trading Company Private Limited	<b>0.23</b> (0.23)
Lotus Viniyog Private Limited	<b>2.02</b> (2.02)
Roshnara Investments & Trading Company Private Limited	<b>0.17</b> (0.17)
Cincinnati Investments & Trading Company Private Limited	<b>0.04</b> (0.04)
Inor Medical Products Limited	<b>5.45</b> (5.45)
Medical Microtechnology Limited	<b>0.23</b> (0.23)



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

38. In accordance with AS 29 – “Provisions, Contingent Liabilities and Contingent Assets”, issued by the Institute of Chartered Accountants of India, certain classes of liabilities have been identified as provisions.

(a) Disclosed by the BIL Group as under:

	31st March, 2012	Additions*	Utilisation*	Reversals/ adjustments*	31st March, 2013
(i) Excise related issues	2,700.94	171.00	—	—	2,871.94
(ii) Sales tax and other issues	2,191.81	1,078.00	—	615.00	3,884.81
(iii) Trade and other issues	3,002.26	288.00	—	14.00	3,276.06

(₹ in Lakhs)

\* Included under various heads in statement of profit and loss.

(i) and (ii) represents estimates made for probable liabilities arising out of pending disputes/litigations with various regulatory authorities. The timing of the outflow with these matters depends on the position of law and the settlement of which is not expected to exceed 2-3 years in most cases.

(iii) represents provisions made for probable liabilities/claims arising out of commercial transactions with vendors/others. Further disclosures as required in Accounting Standard 29 are not made since it can be prejudicial to the interests of the Company.

(b) Provision for contingencies of ₹ 415 Lakhs (*Previous Year ₹ 350 Lakhs*) represents a part amount provided for against the contingent liabilities with regards to the disputed demands for excise duties, wages and damages and interest as described in Note 28 on the basis of a fair estimate by the Corporation. The carrying amount at the beginning of the year was ₹ 350 Lakhs and the provision of ₹ 65 Lakhs made during the year is carried forward at the end of the year and neither the amount has been used nor the unused amount reversed during the year under review.

39. Disclosure as required under Accounting Standard (AS) 15 (Revised)

**A. BBTCL: DEFINED CONTRIBUTION PLAN (₹ in Lakhs)**

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	2012-13	2011-12
Employer's Contribution to Government Provident Fund*	277.77	294.83
Employer's Contribution to Superannuation Fund	64.06	68.43

(₹ in Lakhs)

\* With regard to the assets of fund and return on investments, the Corporation does not expect any deficiency in foreseeable nature.

**DEFINED BENEFIT PLAN – GRATUITY**

**I. Reconciliation of Opening and Closing balances of Defined Benefit Obligation**

	2012-13	2011-12
Liability at the beginning of the year	1,243.58	1,139.58
Add : Taken over from the erstwhile Electromags Automotive Products Pvt. Ltd.	43.09	—
Interest cost	109.33	96.83
Current Service cost	80.70	66.66
Liability transfer in	21.82	—
Benefits paid	(193.18)	(314.80)
Actuarial (Gain)/Loss on Obligations	580.32	(255.29)
<b>Liability at the end of the year</b>	<b>1,885.66</b>	<b>1,243.58</b>

(₹ in Lakhs)

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	2012-13	(₹ in Lakhs) 2011-12
<b>II. Reconciliation of Opening and Closing balances of Fair Value of Plan Assets</b>		
Fair value of plan assets as at the beginning of the year	1,350.95	1,310.17
Add: Taken over from the erstwhile Electromags Automotive Products Pvt. Ltd.	27.64	—
Expected Returns on Plan Assets	118.61	104.88
Contributions	159.35	227.08
Benefits Paid	(193.18)	(314.80)
Actuarial Gain/(Loss) on Plan Assets	205.32	(23.62)
<b>Fair value of plan assets as at the end of the year</b>	<b>1,668.69</b>	<b>1,350.95</b>
<b>III. Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	118.61	104.88
Actuarial Gain/(Loss) on Plan Assets	205.32	23.62
<b>Actual Return on Plan Assets</b>	<b>323.93</b>	<b>128.50</b>
<b>IV. Amount recognized in the Balance Sheet</b>		
Liability at the end of the year	1,885.66	1,243.58
Fair value of Plan Assets at the end of the year	1,668.69	1,350.95
Difference	216.97	107.38
<b>Asset/Liability recognised in the balance sheet</b>	<b>216.97</b>	<b>107.38</b>
<b>V. Expense recognized in the Statement of Profit and Loss Account</b>		
Current Service Cost	80.70	66.66
Interest Cost	109.33	96.83
Expected Return on Plan Assets	(118.61)	(104.88)
Actuarial (Gain)/Loss	375.00	231.68
<b>Expense recognized in the P&amp;L A/c</b>	<b>446.42</b>	<b>290.29</b>
<b>VI. Investment Details</b>		
Central Government Securities	3.15%	3.50%
PSU Bonds	2.96%	5.26%
Special Deposit Scheme	—	—
State Government Securities	0.20%	0.57%
Property	—	—
Others (Bank Balance)	1.70%	—
Insurer Managed Funds	91.99%	90.67%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>VII. Actuarial assumptions used</b>		
Mortality Table	2012-13 Indian Assured Ultimate (2006-08)	2011-12 1994-96 LIC Ultimate
Discount rate	8.5%	8.5%
Rate of return on Plan Assets	8.6%	8%
Salary escalation rate	5%	5%
<b>VIII. Prescribed Contribution for next year</b>		
Prescribed Contribution for next year	261.99	17.22

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS****IX. Experience Adjustment**

	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Fair Value of Plan Assets	<b>1,668.69</b>	1,350.95	1,310.17	1,359.79	1,282.95
Defined Benefit Obligation	<b>1,885.66</b>	1,243.58	1,139.58	1,359.64	1,265.07
Actuarial (Gain)/Loss on Plan Assets	<b>205.32</b>	23.62	(24.31)	54.52	(33.36)
Actuarial (Gain)/Loss on Defined Benefit Obligation	<b>580.32</b>	(255.29)	(251.52)	38.89	223.24

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the Actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Corporation's policy for plan assets management.

**B. BIL : POST-RETIREMENT EMPLOYEE BENEFITS (₹ in Lakhs)****I. DEFINED CONTRIBUTION PLAN**

The Company has recognised an amount of ₹ **800.07** (Previous Year ₹ 701.09) as expenses under the defined contribution plans in the statement of Profit and Loss for the year:

	31st March, 2013	31st March, 2012
<b>Benefit (Contribution to)</b>		
Provident Fund*	<b>473.00</b>	374.64
Family Pension Scheme	<b>137.00</b>	124.37
Pension Fund	<b>132.00</b>	148.42
Labour Welfare Fund	<b>0.07</b>	0.07
ESI	<b>58.00</b>	55.40
<b>Total</b>	<b>800.07</b>	701.90

\* With regard to the assets of the Fund and the return on the investments, the BIL Group does not expect any deficiency in the foreseeable future.

**II. DEFINED BENEFIT PLAN**

The BIL Group makes annual contributions to the Britannia Industries Limited Covenanted Staff Gratuity Fund and Britannia Industries Limited Non Covenanted Staff Gratuity Fund, which are funded defined benefit plans for qualifying employees.

- The Scheme in relation to Britannia Industries Limited Non Covenanted Staff Gratuity Fund provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to the maximum amount payable as per the Payment of Gratuity Act, 1972.
- The Scheme in relation to Britannia Industries Limited Covenanted Staff Gratuity Fund provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to the higher of maximum amount payable as per the Payment of Gratuity Act, 1972 and twenty months salary. Vesting (for both the funds mentioned above) occurs only upon completion of five years of service, except in case of death or permanent disability. The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at Balance Sheet date.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

<b>1. Reconciliation of Opening and Closing balances of the present value of the defined benefit obligation:</b>		(₹ in Lakhs)
	<b>31st March, 2013</b>	<i>31st March, 2012</i>
Obligations at 1 April	<b>1,960.79</b>	<i>2,034.95</i>
Service cost	<b>124.00</b>	<i>127.54</i>
Interest cost	<b>166.00</b>	<i>167.89</i>
Benefits settled	<b>(256.00)</b>	<i>(372.99)</i>
Actuarial (gain)/loss	<b>159.00</b>	<i>3.40</i>
On acquisition	<b>—</b>	<i>—</i>
<b>Obligations at the year end 31st March</b>	<b><u>2,153.79</u></b>	<i><u>1,960.79</u></i>
<b>2. Change in Plan Assets</b>		
Plan assets at 1 April at fair value – On Acquisition	<b>2,052.32</b>	<i>2,127.63</i>
Expected return on plan assets	<b>175.00</b>	<i>175.59</i>
Actuarial gain/(loss)	<b>(4.00)</b>	<i>(16.01)</i>
Contributions	<b>182.00</b>	<i>137.10</i>
Benefit Settled	<b>(256.00)</b>	<i>(372.99)</i>
<b>Plan assets at 31 March at fair value</b>	<b><u>2,149.32</u></b>	<i><u>2,052.32</u></i>
<b>3. Reconciliation of present value of the obligation and the fair value of the plan assets</b>		
Present value of obligation as at 31 March	<b>2,153.79</b>	<i>1,960.79</i>
Plan assets at 31 March at fair value	<b>2,149.32</b>	<i>2,052.32</i>
<b>Amount recognised in Balance Sheet (Asset)/Liability</b>	<b><u>(5.47)</u></b>	<i><u>(90.53)</u></i>
<b>4. Expenses recognised in the statement of Profit and Loss</b>		
Current Service Cost	<b>124.00</b>	<i>127.54</i>
Interest Cost	<b>166.00</b>	<i>167.89</i>
Expected Return on Plan Assets	<b>(175.00)</b>	<i>(175.59)</i>
Actuarial (Gain)/Loss	<b>163.00</b>	<i>19.41</i>
<b>Net Cost</b>	<b><u>278.00</u></b>	<i><u>139.25</u></i>
<b>5. Amount recognised in the Balance Sheet</b>		
Opening net liability-On Acquisition	<b>(90.53)</b>	<i>(92.68)</i>
Expense as above	<b>278.00</b>	<i>139.25</i>
Employers Contribution paid	<b>(182.00)</b>	<i>(137.10)</i>
<b>Closing net liability</b>	<b><u>5.47</u></b>	<i><u>(90.53)</u></i>
<b>6. Investment Details</b>		
	<b>% Invested</b>	<i>% Invested</i>
Government of India securities	<b>20.83</b>	<i>21.51</i>
State Government securities	<b>17.68</b>	<i>15.89</i>
Public sector securities	<b>35.51</b>	<i>34.80</i>
Mutual funds	<b>0.80</b>	<i>0.62</i>
Special deposit scheme	<b>2.94</b>	<i>6.61</i>
Others	<b>22.24</b>	<i>20.57</i>
	<b><u>100.00</u></b>	<i><u>100.00</u></i>
<b>7. Principal Actuarial Assumptions</b>		
Discount Factor	<b>8.00%</b>	<i>8.50%</i>
Estimated Rate of Return on Plan Assets	<b>8.00%</b>	<i>8.50%</i>
Attrition rate		
➤ Age Related	<b>2.00%</b>	<i>2.00%</i>
➤ Service Related	<b>14.00%</b>	<i>14.00%</i>
Salary escalation rate	<b>5.00%</b>	<i>5.00%</i>
Retirement age (in years)	<b>58</b>	<i>58</i>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS****8. Experience Adjustment**

	<b>31st March, 2013</b>	<i>31st March, 2012</i>	<i>31st March, 2011</i>	<i>31st March, 2010</i>	<i>31st March, 2009</i>
Fair Value of Plan Assets	<b>2,052.32</b>	2,127.63	2,019.10	1,736.29	1,867.00
Defined Benefit Obligation	<b>1,960.79</b>	2,034.95	2,009.48	1,872.49	2,024.55
Actuarial (Gain)/Loss on Plan Assets	<b>(4.00)</b>	(16.01)	7.41	9.76	(7.08)
Actuarial (Gain)/Loss on Defined Benefit Obligation	<b>159.00</b>	3.40	13.14	4.16	97.74

**Notes:**

- (i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.
- (ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
- (iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- (iv) The disclosure above includes amounts for both Britannia Industries Limited Covenanted Staff' Gratuity Fund and Britannia Industries Limited Non Covenanted Staff' Gratuity Fund and amounts relating to other group companies.

C. The charge for retirement benefits of Al Sallan Food Industries Company SAOC, Strategic Food International Co. LLC and Britannia Lanka Private Limited has been calculated in accordance with the laws applicable in their countries of incorporation which amounts to ₹ **181 Lakhs** (Previous Year ₹ 114 Lakhs).

40. In April 2007, the Commissioner of Income Tax (CIT), Kolkata issued a notice to BIL's (the Company's) Covenanted Staff Pension Fund (BILCSPF) asking it to show cause why recognition granted to the Fund should not be withdrawn for refunding in the year 2004, the excess contribution of ₹ **1,211.99 Lakhs** (Previous Year ₹ 1,211.99 Lakhs) received by it in earlier years. The Single Judge of the Calcutta High Court, on a writ petition, granted a stay restraining the CIT from proceeding with the show case notice but with a direction to BIL to deposit ₹ **1,211.99 Lakhs** (Previous Year ₹ 1,211.99 Lakhs) (included in Deposits under Schedule 10) with a nationalized bank in the name of the Fund. On appeal, the Division Bench of the Calcutta High Court disposed of the writ petition pending before the Single Judge. The Fund filed a Special Leave Petition before the Supreme Court against the order of the Division Bench. The Supreme Court at its hearing on 12 May 2008 has set aside the order of the Division Bench of the Calcutta High Court. As a condition of the stay order granted, the Company has, under protest, made the deposit as per the direction of Hon'ble Calcutta High Court.

Pursuant to the directions of the Honourable Madras High Court, the CIT, Kolkata passed orders rejecting the deeds of variation submitted in May 2005 by the Company's Pension Funds on technical grounds. The Company preferred appeals before the Central Board of Direct Taxes (CBDT), New Delhi challenging the orders of the CIT. CBDT passed Orders in the said appeals in March 2011 directing the Company inter alia to submit deeds of variation incorporating the modifications in line with the directions made in the Orders effective 1 November 2004. The modified deeds of variation in line with the directions contained in the CBDT Orders have already been filed with the CIT, Kolkata, for his approval. In writ petitions filed by some of the pensioners, the Honourable Madras High Court has passed an interim order restraining the CIT, Kolkata, from approving the deeds of variation pending disposal of the writ petitions.

41. A suit was filed by the Britannia Industries Limited Pensioners Welfare Association (the Association) in the Honourable City Civil Court and Sessions Judge, Bangalore, where the Honourable Court passed interim orders on 1 January 2009 and 10 February 2009, directing the Funds to pay pension to the Members in accordance with the computation made and submitted by the Pension Funds to the Court. This computation was on a defined contribution basis, and is consistent with the pension offered by the Pension Funds to eligible employees at the time of their retirement/exit. The Funds have been complying with the said order. In April, 2010, the Honourable Judge passed another interim order requiring the Funds to pay pension as per Rule 11(a) of the Pension Fund Rules, i.e. on "Defined Benefit Basis", and gave the Funds two months' time for complying with the order. In an appeal filed against this Order in the Honourable Karnataka High Court, the Honourable Karnataka High Court in April 2010 modified the Trial

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Court's order so as to extend the time limit from two months to three months and in July 2010, further modified the Trial Court's order directing inter alia that the pension shall be paid as per Rule 11(a) from the date of filing of the suit by the Association in the Honourable Bangalore City Civil Court, i.e. with effect from 17th June, 2008. The Company filed Special Leave Petitions (SLPs) in the Honourable Supreme Court against the above order of the Honourable Karnataka High Court. The Honourable Supreme Court passed an order in January 2011 disposing of the SLPs and directing inter alia that the interim order passed by it in September 2010 directing that the Pension Funds should continue to pay pension as per the interim order passed by the Bangalore City Civil Court on 1 January 2009 would continue till disposal of the suit by the Trial Court. The proceedings in the main suit are currently in progress in the Honourable Bangalore City Civil Court.

The Company believes, based on current knowledge and after consultation with eminent legal counsel that the resolution of the matter will not have material adverse effect on the financial statements of the Company.

42. With respect to Al Sallan Food Industries Co. SAOC, the Company's income tax assessments for the year 2008 to 2012 have not been agreed with the Secretariat General for Taxation at the Ministry of Finance, Oman. Management believes that additional taxes, if any, that may become payable on finalisation of the assessments in respect of these open years would not be material to the Company's financial position as at 31 March 2013. No tax has been recognised due to carried forward accumulated losses of prior years.

43. Managerial Remuneration paid for the year 2012-2013:

(1) Remuneration paid to Mr. Ashok Panjwani: ₹ **205.39 Lakhs** (*Previous Year ₹ 135.78 Lakhs*), as minimum remuneration in terms of approval of shareholders and Schedule XIII of the Companies Act, 1956, subject to the approval of Central Government if and to the extent necessary.

By virtue of Gen Circular 46/2011 dated 14.07.2011 of the Ministry of Corporate Affairs, the remuneration paid to Mr. Ashok Panjwani, although in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 due to inadequacy of profit, does not require any further approval from Central Government since he satisfies both conditions of exemption viz. being a qualified professional director and not having any direct/ indirect interest in the capital of the Corporation under the said circular.

(2) Remuneration paid to Mr. Ness Wadia: ₹ **190.03 Lakhs** (*Previous Year ₹ 190.03 Lakhs*), as minimum remuneration in terms of approval of shareholders and Schedule XIII of the Companies Act, 1956, subject to the approval of Central Government if and to the extent necessary.

In view of inadequacy of profit the Corporation has made an application to the Central Government for approval of excess remuneration of ₹ **78.99 Lakhs** (*Previous Year ₹ 107.52 Lakhs*), paid to Mr. Ness Wadia, in excess of the limits prescribed by Schedule XIII of the Companies Act, 1956. The application has been made as Mr. Ness Wadia holds direct and indirect interest in the capital of the Corporation, although the condition of holding professional qualification is satisfied under the said circular.

44. Capital Subsidy:

In the case of BIL, during the year ended 31 March 2013, an amount of ₹ 5 crores has been received towards capital subsidy for the Hajipur Factory, Bihar in accordance with the State Industrial Policy of Bihar. Out of this, an amount of ₹ **18 Lakhs** has been recognised as income (net off with depreciation) in the statement of profit and loss and the outstanding amount of ₹ **482 Lakhs** has been classified as capital subsidy in the balance sheet [Refer note T (iii)].

45. Export benefits/Incentives are accounted on accrual basis. Accordingly, on the Balance Sheet date, in respect of Exports made, estimated benefit of ₹ **337.41 Lakhs** (*Previous Year ₹ 158.57 Lakhs*) has been taken into account for the year as incentive on accrual basis under the pass book scheme. Subsequent to that, the Corporation has utilized the said entitlement of ₹ **337.41 Lakhs** (*Previous Year ₹ 158.57 Lakhs*).

46. Derivative contracts:

BIL (the Company) has entered into the following derivative contracts for hedging its borrowings and interest costs in foreign currencies:

Foreign Currency Forward Contracts: The Company has entered into foreign exchange forward contracts for hedging the foreign exchange fluctuation risks on foreign currency payables/loans, which has been accounted for in line with Accounting Standard 11 - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the amount receivable of ₹ **2,571 Lakhs** (*Previous Year: ₹ 2,757 Lakhs*) and loan payable of ₹ **2,007.72 Lakhs** (*Previous Year: ₹ 2,007.72 Lakhs*), relating to foreign exchange forward contracts for hedging have been netted off and disclosed under 'Short-term loans and advances (Previous Year: Long-term loans and advances)'

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The Company has designated certain foreign exchange forward contracts (relating to foreign currency receivables and payables) outstanding as on 31 March 2012 as hedge of committed transaction. On that date, the Company had forward contracts amounting to USD 1,741,026 and EUR 39,150 (Previous Year: USD 2,158,505 and EUR 66,000). As at the year end the unrealized exchange gain of ₹ 5 Lakhs has not been accounted for (Previous Year: unrealized exchange loss of ₹ 19 Lakhs was accounted for) (arrived on a mark to market basis) in line with the ICAI notification issued in March 2008.

The foreign currency exposures not hedged towards payables / receivables as at the year end, amount to **USD 185,294/₹ 101 Lakhs** (Previous Year: USD 148,891 / ₹ 76 Lakhs).

47. In the case of BBTCL Group, on the basis of confirmation obtained from suppliers who have registered under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Corporation the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is ₹ Nil (Previous Year ₹ Nil). Further, no interest during the year has been paid/or is payable/accrued under the terms of the MSMED Act, 2006.  
For the BIL Group, trade payables due to Micro, Small and Medium Enterprises is ₹ 596 Lakhs (Previous Year ₹ 449.62 Lakhs).
48. By a Postal Ballot held vide notice dated 8th August, 2012 the shareholders of the Corporation approved the sub-division of equity shares. A share of face value of ₹ 10/- each has been sub-divided into 5 equity shares of face value of ₹ 2/- each. The effective date for the sub-division was 9th November, 2012. The disclosure of number of shares in the Particulars of Shareholding and the disclosure of Earnings per share (in compliance with AS-20) for all the reported periods has been arrived at after giving effect to the above sub-division.
49. The Committee of the Board of Directors ('the Board'), at its meeting held on 22 March 2010, pursuant to the scheme of arrangement ('the Scheme') sanctioned by the Honourable Calcutta High Court on 11 February 2010 under Section 391(2) of the Companies Act, 1956 ('the Act'), allotted 8.25% secured fully paid-up Redeemable non-convertible bonus debentures ('the bonus debentures') from the general reserve, in the ratio of one debenture of the face value of ₹ 170/- for every equity share held by the shareholders of the Company as on 9 March 2010. The date of allotment of bonus debentures is 22 March 2010. The Scheme was earlier approved by the Board at its meeting held on 27 May 2009 and by the shareholders at the general meetings held on 31 August 2009. The bonus debentures have been listed on the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited. The Issue of bonus debentures has been treated as 'deemed dividend' under the provisions of the Income tax Act, 1961. Accordingly, the Company has remitted ₹ Nil (Previous Year ₹ 6,902.22 Lakhs) as dividend distribution tax and has utilised General Reserve for the payment of the same, pursuant to the Scheme. The scheme involves issuance of bonus debentures out of General Reserve and does not entail any real borrowing, accordingly, the requirement of creating a Debenture Redemption Reserve pursuant to Section 117C of the Act or Clause 10.3 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued under the Securities and Exchange Board of India Act, 1992 is not applicable. This has also been noted in the scheme of arrangement sanctioned by the Honourable Calcutta High Court.
50. In an earlier year, the Corporation took up development of Real Estate in the vacant properties at Pune, Coimbatore and Mumbai, and converted these assets as stock-in-trade at cost.
51. Adjustment of erstwhile EAPL's profits, ₹ 139.64 Lakhs, dividend adjustment of ₹ 4,857.00 Lakhs, dividend distribution tax adjustment of ₹ 1,647.00 Lakhs, General Reserve adjustment ₹ 957.93 Lakhs, pertains to the previous year.
52. Figures in respect of current financial year have been rounded off to the nearest thousand and are expressed in terms of decimals of lakhs.

For B S R & Co.  
Chartered Accountants  
Firm's Registration No. 101248W  
  
Vijay Bhatt  
Partner  
Membership No. 036647  
Mumbai,  
Dated : 28th May, 2013

For and on behalf of the Board

	NUSLI N. WADIA	Chairman
	A. K. HIRJEE	Vice Chairman
	M. L. APTE	Director
A. PANJWANI	D. E. UDWADIA	Director
NESS WADIA	JEH WADIA	Director
N. H. DATANWALA	VINITA BALI	Director
		Vice President Corporate & Co. Secretary

# The Bombay Burmah Trading Corporation, Limited

## Summarised Statement of Financials of Subsidiary Companies pursuant to approval under Section 212(8) of the Companies Act, 1956

(₹ in Lakhs)

Sr. No.	Name of Subsidiary	Afco Industrial & Chemicals Ltd.	DPI Products & Services Ltd.	Sea Wind Investment & Trading Co. Ltd.	Subham Viniyog Pvt. Ltd.	Britannia Industries Limited	Boribunder Finance & Investments Private Limited	Flora Investments Company Private Limited
1.	Capital	76.05	20.00	5.98	40.00	2,391.00	267.10	1,178.00
2.	Reserves	(19.45)	235.52	156.57	(10.19)	61,250.00	(130.68)	3,428.00
3.	Total Assets	108.78	331.35	166.75	44.91	168,303.00	139.73	7,137.00
4.	Total Liabilities	52.18	75.82	4.20	15.10	104,662.00	3.31	2,531.00
5.	Investments (except in subsidiaries)							
	(a) Government Securities	—	—	—	—	—	—	—
	(b) Quoted Equity Shares	34.31	245.05	0.05	0.60	646.00	—	—
	(c) Unquoted Equity Shares	0.95	0.95	56.19	0.26	0.60	—	—
	(d) Debentures	—	—	—	—	2,500.00	—	—
	(e) Others	—	—	—	—	599.00	1.20	2,790.00
	Total Investments	35.26	246.00	56.24	0.86	3,745.60	1.20	2,790.00
6.	Turnover	62.15	2.82	6.28	—	556,438.00	58.36	30,945.00
7.	Profit Before Tax	(1.95)	(0.12)	3.60	(1.18)	33,218.00	56.41	3,503.00
8.	Provision for Tax (including deferred tax)	—	—	0.19	—	(9,831.00)	(11.35)	(3.00)
9.	Profit After Tax *	(2.07)	(0.12)	3.79	(1.18)	23,387.00	45.06	3,500.00
10.	Proposed Dividend ** (excluding Tax on Dividend)	—	—	—	—	10,166.07	—	—
11.	Original Currency	INR	INR	INR	INR	INR	INR	INR
12.	Exchange rate as on: 31st March 2013 (in INR)	1.00	1.00	1.00	1.00	1.00	1.00	1.00

\* Profit After Tax is adjusted for Excess/Short Provision of taxes of previous years.

\*\* Includes Interim and final dividend, whether paid or proposed.



(₹ in Lakhs)

Gilt Edge Finance & Investments Private Limited	Ganges Vally Foods Private Limited	International Bakery Products Limited	J B Mangharam Foods Private Limited	Manna Foods Private Limited	Sunrise Biscuit Company Private Limited	Britannia Dairy Private Limited	Daily Bread Gourmet Foods Private Limited	Britannia Employees' General Welfare Association Private Limited
17.52	17.50	18.00	2,067.26	28.43	60.00	24.98	50.00	45.02
10.88	9.56	7.43	(1,860.85)	147.64	359.42	155.47	93.29	360.75
28.69	27.54	25.70	1,186.03	178.93	715.09	183.35	1,207.49	2,150.80
0.29	0.48	0.27	979.62	2.86	295.67	2.90	1,064.20	1,745.03
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	0.40	—	—	—	—	0.43	0.54
—	—	0.40	—	—	—	—	0.43	0.54
1.58	1.48	1.29	2,330.25	3.08	1,613.13	3.07	1,434.69	1,997.08
1.13	1.06	0.87	(266.87)	1.28	21.83	1.28	12.65	17.23
(0.35)	(0.33)	(0.27)	—	(0.26)	(6.45)	(0.26)	10.60	(6.92)
0.78	0.73	0.60	(266.87)	1.02	15.38	1.02	23.25	10.31
—	—	—	—	—	—	—	—	—
INR	INR	INR	INR	INR	INR	INR	INR	INR
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

# The Bombay Burmah Trading Corporation, Limited

## Summarised Statement of Financials of Subsidiary Companies pursuant to approval under Section 212(8) of the Companies Act, 1956

(₹ in Lakhs)

Sr. No.	Name of Subsidiary	Britannia Employees' Educational Welfare Association Private Limited	Britannia Employees' Medical Welfare Association Private Limited	Leila Lands Senderian Berhad	Island Horti-Tech Holding Pte Ltd.	Leila Lands Ltd.	Naira Holdings Ltd.	Island Landscape & Nursery Pte Ltd.
1.	Capital	37.50	1,419.95	8,254.29	874.40	0.11	543.89	961.84
2.	Reserves	(26.77)	114.88	8,270.54	3,887.56	30,792.00	25,727.64	1,554.51
3.	Total Assets	6,471.35	4,249.65	16,543.06	5,034.65	117,124.16	38,250.75	3,610.74
4.	Total Liabilities	6,460.62	2,714.82	18.23	272.69	86,332.05	11,979.22	1,094.39
5.	Investments (except in subsidiaries)							
	(a) Government Securities	—	—	—	—	—	—	—
	(b) Quoted Equity Shares	—	—	—	—	—	—	—
	(c) Unquoted Equity Shares	—	—	—	—	—	—	—
	(d) Debentures	—	—	—	—	—	—	—
	(e) Others	0.19	—	—	—	—	—	—
	Total Investments	0.19	—	—	—	—	—	—
6.	Turnover	2,337.26	12,382.57	62.10	2,081.07	4,949.43	349.21	4,826.16
7.	Profit Before Tax	6.96	11.12	(100.56)	1,964.18	3,378.13	(1,210.86)	457.04
8.	Provision for Tax (including deferred tax)	(1.63)	10.78	(0.21)	(7.33)	—	—	(89.50)
9.	Profit After Tax*	5.33	21.90	(100.77)	1,956.85	3,378.13	(1,210.86)	367.54
10.	Proposed Dividend** (excluding Tax on Dividend)	—	—	—	—	—	—	1,967.40
11.	Original Currency	INR	INR	RM	S \$	US \$	US \$	S \$
12.	Exchange rate as on: 31st March 2013 (in INR)	1.00	1.00	17.52	43.72	54.39	54.39	43.72

\* Profit After Tax is adjusted for Excess/Short Provision of taxes of previous years.

\*\* Includes Interim and final dividend, whether paid or proposed.

(₹ in Lakhs)

Peninsula Landscape & Nursery Snd. Bhd.	Saikjaya Holdings Snd. Bhd.	Restpoint Investments Ltd.	Restpoint International Technology Corpn.	Innovative Organics Inc.	Granum Inc.	ABI Holdings Limited	Associated Biscuits International Ltd.	Britannia Brands Limited
52.56	87.60	0.72	0.05	942.06	652.06	4,112.58	1,317.13	—
(21.54)	119.66	3,529.54	(380.40)	(542.29)	2,065.87	15,843.63	1,014.98	6,401.05
47.40	208.37	3,531.51	13.03	3,375.52	3,972.57	21,963.65	6,082.62	7,285.49
16.38	1.11	1.25	393.38	2,975.75	1,254.64	2,007.44	3,750.51	884.44
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	31.80	—	—	4,236.49	4,754.39	4,856.09	2,396.56
(3.07)	(1.93)	27.03	(1.19)	(39.61)	392.46	4,712.64	4,791.92	2,387.42
—	—	—	—	(13.47)	(100.18)	—	268.12	—
(3.07)	(1.93)	27.03	(1.19)	(26.14)	292.28	4,712.64	5,060.03	2,387.42
—	—	—	—	—	—	4,754.39	4,754.39	2,396.56
RM	RM	US \$	US \$	US \$	US \$	GBP	GBP	GBP
17.52	17.52	54.39	54.39	54.39	54.39	82.32	82.32	82.32

# The Bombay Burmah Trading Corporation, Limited

## Summarised Statement of Financials of Subsidiary Companies pursuant to approval under Section 212(8) of the Companies Act, 1956

(₹ in Lakhs)

Sr. No.	Name of Subsidiary	Dowbiggin Enterprises Pte. Limited	Nacupa Enterprises Pte. Limited	Spargo Enterprises Pte. Limited	Valletort Enterprises Pte. Limited	Bannatyne Enterprises Pte. Limited
1.	Capital	214.93	214.93	214.99	215.00	207.94
2.	Reserves	8,400.45	8,391.32	8,382.62	8,389.77	8,265.17
3.	Total Assets	8,640.65	8,636.86	8,628.70	8,608.07	8,515.98
4.	Total Liabilities	25.27	30.61	31.09	3.30	42.87
5.	Investments (except in subsidiaries)					
	(a) Government Securities	—	—	—	—	—
	(b) Quoted Equity Shares	—	—	—	—	—
	(c) Unquoted Equity Shares	—	—	—	—	—
	(d) Debentures	—	—	—	—	—
	(e) Others	—	—	—	—	—
	Total Investments	—	—	—	—	—
6.	Turnover	115.58	115.58	115.58	115.58	115.50
7.	Profit Before Tax	51.24	50.98	51.06	53.53	52.43
8.	Provision for Tax (including deferred tax)	—	—	—	—	—
9.	Profit After Tax*	51.24	50.98	51.06	53.53	52.43
10.	Proposed Dividend** (excluding Tax on Dividend)	117.92	117.92	117.92	117.92	117.92
11.	Original Currency	S \$	S \$	S \$	S \$	S \$
12.	Exchange rate as on: 31st March 2013 (in INR)	43.72	43.72	43.72	43.72	43.72

\* Profit After Tax is adjusted for Excess/Short Provision of taxes of previous years.

\*\* Includes Interim and final dividend, whether paid or proposed.

(₹ in Lakhs)

Al Sallan Food International Co. LLC, Dubai	Strategic Food International Co.LLC,Dubai	Britannia and Associates (Mauritius) Private Limited	Britannia and Associates (Dubai) Private Company Limited	Strategic Brands Holding Company Limited	Britannia Dairy Holdings Private Limited
2,642.40	2,700.75	9,880.74	0.14	0.14	3,771.73
(6,791.18)	(3,319.02)	(189.70)	(963.41)	(27.37)	(1,369.60)
7,183.79	12,354.75	24,072.89	23,046.74	0.31	2,528.02
11,332.57	12,973.02	14,381.85	24,010.01	27.54	125.89
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
10,732.20	18,836.83	394.62	240.26	—	—
(163.34)	(433.60)	30.28	(140.33)	(8.42)	(184.09)
—	—	—	—	—	—
(163.34)	(433.60)	30.28	(140.33)	(8.42)	(184.09)
—	—	—	—	—	—
OMR	AED	USD	USD	USD	USD
141.12	14.80	54.39	54.39	54.39	54.39

# The Bombay Burmah Trading Corporation, Limited

## 10 YEARS' FINANCIAL REVIEW

(₹ in Lakhs)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
<b>FINANCIAL POSITION</b>									
Share Capital	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27	<b>1,396.27</b>
Reserves And Surplus #	5,728.30	6,254.79	6,951.51	7,429.63	5,764.03	6,479.30	12,983.60	25,572.97	<b>25,459.42</b>
Net Worth	7,124.57	7,651.06	8,347.78	8,825.90	7,160.30	7,875.57	14,379.87	26,969.24	<b>26,855.69</b>
Borrowings	15,812.62	22,357.60	22,798.42	27,002.41	35,239.62	27,385.27	27,175.80	16,069.78	<b>16,372.59</b>
Deferred Tax Liability (Net)	568.96	516.00	534.00	532.66	614.94	289.28	168.48	(50.58)	<b>65.22</b>
Capital Employed	23,506.15	30,524.66	31,680.20	36,360.97	43,014.86	35,550.12	41,724.15	43,038.94	<b>43,293.50</b>
Gross Block	11,009.94	12,217.65	15,254.38	16,301.56	17,184.55	18,083.41	19,817.20	11,233.34	<b>17,906.60</b>
Net Block	5,408.52	6,961.75	8,953.35	9,605.76	9,833.07	10,325.07	11,103.73	5,967.53	<b>10,445.72</b>
Investments	9,873.41	9,291.93	9,283.59	11,856.62	10,673.91	10,673.22	10,677.06	11,183.44	<b>16,549.14</b>
Foreign Currency Monetary Item translation Difference Account	—	—	—	—	2,654.59	127.45	—	—	—
Working Capital	8,224.22	14,270.98	13,443.26	14,898.59	19,853.29	14,424.38	19,943.36	25,837.39	<b>16,298.64</b>
Total Net Assets	23,506.15	30,524.66	31,680.20	36,360.97	43,014.86	35,550.12	41,724.15	42,988.39	<b>43,293.50</b>
<b>OPERATING RESULTS</b>									
Total Income	17,504.10	20,221.49	24,135.64	26,184.97	29,901.40	32,053.73	41,774.71	45,304.92	<b>26,461.15</b>
Total Expenses	16,728.89	19,234.76	22,783.86	24,904.27	31,142.07	30,827.43	32,169.78	25,085.32	<b>24,659.86</b>
Profit/(Loss) Before Taxation	775.21	986.73	1,351.78	1,280.70	(1,240.67)	1,226.30	9,604.93	17,655.64	<b>1,801.29</b>
Profit of erstwhile EAPL for the year ended 31st March, 2012	—	—	—	—	—	—	—	—	<b>736.72</b>
Taxation	99.94	70.33	169.67	233.31	146.86	(139.25)	1,950.73	4,006.57	<b>523.71</b>
Tax related to profit of erst- while EAPL for the year ended 31st March, 2013	—	—	—	—	—	—	—	—	<b>121.20</b>
Profit/(Loss) After Taxation	675.27	916.40	1,182.11	1,047.39	(1,387.53)	1,365.55	7,654.20	13,648.97	<b>1,893.10</b>
Dividend *	318.23	397.79	489.78	489.78	163.26	569.52	1,135.27	1,135.27	<b>2,448.89</b>
Dividend (%)	20	25	30	30	10	35	70	70	<b>150</b>
Book Value (₹)	51.04	54.82	59.82	63.25	51.31	56.44	103.05	193.27	<b>38.49</b>

\* Includes Dividend Tax.

# Net after adjustment of debit balance of Deferred Revenue of Expenditure.

# The Bombay Burmah Trading Corporation, Limited

*Registered Office:*  
9, Wallace Street, Fort, Mumbai-400 001.

## ATTENDANCE SLIP

Regd. Folio No./Client ID.....

I hereby record my presence at the ONE HUNDRED AND FORTY EIGHTH ANNUAL GENERAL MEETING of the Corporation at Rama Watumull Auditorium, K C College, Dinshaw Vachcha Road, Mumbai 400 020, at 3.45 p.m. on Wednesday, 7th August, 2013.

.....  
Name of the Shareholder/Proxy/Authorised  
Representative of Body Corporate  
(in BLOCK letters)

.....  
Signature of the Shareholder/Proxy/  
Authorised Representative of  
Body Corporate

*Note:* Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL.

**PLEASE BRING YOUR COPY OF THE ANNUAL REPORT TO THE MEETING.**

# The Bombay Burmah Trading Corporation, Limited

*Registered Office:*  
9, Wallace Street, Fort, Mumbai-400 001.

## PROXY FORM

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/members of the above-named Corporation hereby appoint

\_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Corporation to be held at Rama Watumull Auditorium, K C College, Dinshaw Vachcha Road, Mumbai 400 020, at 3.45 p.m. on Wednesday, 7th August, 2013 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

15 Paise  
Revenue  
Stamp

\_\_\_\_\_  
Shareholder

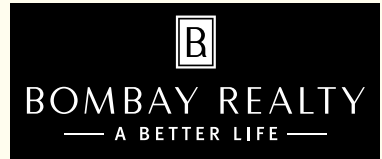
# The Bombay Burmah Trading Corporation, Ltd.

## WADIA GROUP BRANDS

### TEXTILES



### REAL ESTATE



### AVIATION



### FOODS



### PLANTATIONS



### ENGINEERING & CHEMICALS





## Auto Ancillary & Healthcare Businesses



## Plantations



Elkhill Coffee



Oothu Organic



## The Wadia Group

The Group has scaled great heights in innovation and entrepreneurship, inspired by the centuries-old legacy of goodwill and trust. The British Coat of Arms, granted to Nowrosjee Wadia, symbolises this legacy and the Wadia group's commitment to advancement and innovation.

The crest is a representation of the Group, its philosophy, beliefs and businesses.

The crest and base of the shield represent the family origins in the shipbuilding industry during the 1700s. The middle and upper parts of the shield depict the Group's interests in cotton growing and its links with England in the form of the Lancastrian rose. The hand holding the hammer atop the shield signifies industriousness, together with workmanship and skill. The sun that surrounds the hand stands for global recognition and merit.

The motto, IN DEO FIDE ET PERSEVERANTIA means 'Trust in God and Perseverance'.

<http://www.wadiagroup.com/>

*If undelivered, please return to :*

**The Bombay Burmah Trading Corporation, Ltd.**

9, Wallace Street, Fort, Mumbai 400 001

# THE BOMBAY BURMAH TRADING CORPORATION LTD.

9, Wallace Street, Fort, Mumbai 400 001.

TELEPHONE NO. 22079351 (4 LINES)

FAX NOS. : (022) 22071612

(022) 22076772

Email : bbtcl@bom2.vsnl.net.in

## FORM A – Covering letter of the Annual Audit Report 2012-2013

1	Name of the Company	The Bombay Burmah Trading Corporation, Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2013
3	Type of Audit Observation	Matter of Emphasis - Refer Note No.38.
4	Frequency of Observation	Appeared twice; Audit Report 2011-2012 and Audit Report 2012-2013
5	To be signed by :  Managing Director  VP Corporate & Company Secretary  Auditor of the Company  Audit Committee Member	